



Queensland Private Enterprise Centre

2017 ANNUAL REPORT TO MEMBERS

List of Sponsors Year Ending 31 December 2017

Allens

BDO

Chartered Accountants Australia & New Zealand

Commonwealth Bank, 180 Ann Street

Corrs Chambers Westgarth

Elston

Griffith Business School

Hays

Marsh Pty Ltd

McCullough Robertson Lawyers

Minter Ellison

Morgans

NAB, 100 Creek Street

NAB, Upper Mount Gravatt

Perpetual

QIC

QUT

Westpac, 260 Queen Street

QPEC Annual Report

Year Ending 31 December 2017

EXECUTIVE COMMITTEE

Susan Rix, AM (President)
Franki Ganter, (Chair)
Kay Chau (Treasurer)
Penny Ellenger
Collin Myers AM
Des Olling
Allan Pidgeon AM
Chris Skelton
Stacey Sleeman

PRESIDENT'S REPORT



This is my first report to members as President. Bruce Cowley stepped down in early 2017 after 14 years' invaluable service to QPEC, the last seven as President. The committee asked that I take on this role which I was very happy to do having had the privilege to serve as Chairman of the Executive Committee for several years. Other committee changes occurred during the year which are referred to later in this report.

Recent years have seen the number of programs delivered steadily increase from 39 in 2009 to 56 in 2014 before falling sharply to 23 and 28 in 2015 and 2016 respectively. The latter results came at a time when funding sources from corporate and private sponsorships together with school funding budgets

contracted, perhaps still impacted by the global financial crises a few years previously.

Some of the notable developments in recent years were: that although the two day program was first trialled in late 2009, following some refinements it was delivered twice in 2011 and has become a great success in succeeding years- having been delivered on five occasions during 2017; a significant number of regional programs were delivered from 2011 to 2013 which represented between 22% and 36 % of all programs in those years and the first one-day competition between schools was inaugurated in 2014 and is still run today.

During the 2017, 26 programs were delivered compared with 28 in 2016. This fell short of our target of 30 due to late cancellations from some schools. The programs were comprised of 20 three-day programs and five two-day programs. A one-day championship round was conducted in October. QPEC is proud that the delivered programs and the principles of private enterprise and the role that business plays in today's world were again brought to the attention of a new crop of secondary school students.

The one-day Brisbane Interschool Championship was held 25 October between three schools: Brisbane Girls Grammar, The Gap State High School and Yeronga State High School. It was a closely fought battle with The Gap State High School emerging as the winner from Yeronga State High School by a final share price margin of only one dollar. Each school contributed to the cost of running the program. Last year two rounds of the championship were held with the ultimate winner being Murrumba State Secondary College.

Two programs were delivered to regional schools in Kingaroy and Bowen. Kingaroy has been a consistent participant over at least the last seven years whereas it was Bowen's first year. It was disappointing that more regional schools were unable to participate in 2017.

The 2018 program invitations were despatched to schools as usual during October 2017. However, this year an electronic version was also emailed to individual school business teachers who had coordinated an ECOMAN program during 2017. This provided them with advanced information to allow them to select their preferred dates for 2018.

In September the Griffith University Business School advised of their intention to terminate the partnership with QPEC due to a review of their forward strategic and administrative arrangements. The effective date of the termination was 31 March 2018. This partnership has existed since 2004 and over the 14 year period has provided an enormous benefit to QPEC and ECOMAN in providing administration services, program venues and as valuable members of the executive committee. Both GBS and QPEC hope that, while formal ties have been discontinued the association may endure as GBS has offered to provide sponsorship of up to two future ECOMAN programs for schools with students from low socioeconomic backgrounds. This offer has been gratefully accepted.

In light of the termination the committee is pursuing several options to replace the services that GBS provided including the engagement of an administration manager which cost will need to be borne by QPEC. This position is likely to be filled by a retired person.

Succession planning in respect of the facilitators was discussed during the year. A number of facilitators including the Education Coordinator have indicated their desire to step down and allow the facilitator team to be refreshed with new blood. A number of potentially new facilitators were identified and contacted to commence training in 2018. These are retired people from both business and education backgrounds who want to contribute to the real-world experience of the students. The two-person facilitator teams will continue to come from this business-education mix so that students are able to receive real-life examples of the syllabus topics which are drawn from the relative experience of each facilitator.

ECOMAN has been delivered as a program in Queensland under license over the last 20 years. During the year the ECOMAN licence came up for renewal and was renewed for a further five years. The program covered by the renewed licence is an upgraded version of the previous model and should provide increased benefits to the students and facilitators.

SPONSORSHIP

We again wish to acknowledge and thank our major financial sponsor the Sylvia and Charles Viertel Charitable Foundation for their annual gift of \$50,000 during the year. As reported in previous years the foundation has been a constant supporter since 2009 and has been instrumental in allowing QPEC to provide this financial support to schools whose students would not otherwise be able to attend ECOMAN programs primarily because the schools have no budget for the full cost of a program.

As reported last year the current round of funding ie, \$250,000 for five years secured funding until the end of 2020. The trustees for the Viertel Charitable Foundation have advised that funding will not continue after this date. While the executive committee has greatly appreciated this financial support which will have covered a period of 12 years and \$600,000, making it the largest financial contribution, it will work to replace this funding from 2021 onwards so that its ECOMAN programs may continue to be delivered to secondary school students throughout south east Queensland and regional areas.

We also wish to thank our venue sponsors who provide their CBD board rooms and committee rooms where the programs are delivered. A number of CBD venue sponsors have made available their premises on more than one occasion over the past two years and are deserving of special mention. They are: Chartered Accountants Australia and New Zealand on level 13 Waterfront Place in Eagle Street on four occasions in 2017 and two occasions in 2015; Perpetual on level 15, Central Plaza one in 345 Queen Street on four occasions in 2017; Minter Ellison on level 22, Waterfront Place in Eagle Street on three occasions in 2016 and Corrs Chambers Westgarth on level 42, 111 Eagle Street on two occasions in 2016.

While it has been stated before in previous reports it is worth mentioning again that many students can see the real-world business that is operating around them when they visit these Brisbane CBD venues for the two or three day period of the ECOMAN programs. Experiencing ECOMAN high above the Brisbane streetscape in a sponsor's Boardroom where students are aware that business decisions are made by Directors and management of the Sponsor's company, must influence their own and their team's decisions that they must make during the program because for those two or three days they actually become Directors of their own company.

Tabled below is the full calendar year of programs conducted in 2017

PARTICIPATING SCHOOLS 2017

Dates	School	Venue
February 22, 23, 24	Woodcrest State College	Chartered Accountants Australia + New Zealand
April 19, 20, 21	Villanova College	Chartered Accountants Australia + New Zealand
May 15, 16	Elanora State High School	Elanora SHS
May 17, 18, 19	Rosedale State High School	Marsh Pty Ltd
May 23, 24, 25	Bundamba Senior State College	McCullough Robertson Lawyers
June 14, 15, 16	Carmel College	Westpac, 260 Queen Street
June 19, 20, 21	Kingaroy State High School	Kingaroy SHS
June 19, 20, 21	Gregory Terrace (St Joseph's College)	Gregory Terrace
June 19, 20, 21	MacGregor State High School	Minter Ellison
July 11, 12, 13	Indooroopilly State High School	Elston
July 17, 18, 19	Brisbane (Boys) Grammar School	Corrs Chambers Westgarth
July 17, 18, 19	Brisbane Girls Grammar School	Corrs Chambers Westgarth
July 24, 25	Balmoral State High School	NAB, 100 Creek Street Brisbane
August 2, 3, 4	The Gap State High School (Group 1)	Perpetual
August 2, 3, 4	The Gap State High School (Group 2)	Chartered Accountants AUS&NZ / Allens
August 7, 8, 9	Marymount College	Marymount College
August 14 and 15	Redeemer Lutheran College	NAB, Upper Mt Gravatt
September 11, 12	Ormiston College	Perpetual
September 11, 12, 13	Bracken Ridge State High School	Commonwealth Bank, 180 Ann Street
September 11, 12, 13	Sandgate District State High School	Commonwealth Bank, 180 Ann Street
September 11, 12, 13	Wavell State High School	Commonwealth Bank, 180 Ann Street
September 13, 14, 15	Somerville House	Chartered Accountants Australia + New Zealand
October 4, 5, 6	Brisbane State High School	QUT
October 4, 5, 6	Bowen State High School	Bowen SHS
October 9, 10, 11	Ferny Grove State High School	BDO
October 10, 12, 13	Citipointe Christian College	Perpetual
October 12, 13, 16	Yeronga State High School	Hays
November 27, 28	Ormiston College	QIC
INTERSCHOOL CHAMPIONSHIPS		
October 25	Brisbane Girls Grammar School The Gap State High School Yeronga State High School	Perpetual

FINANCE 2017

Income

Total income for 2017 slightly decreased from \$86,709 in 2016 to \$84,727 with \$80,442 of the income derived from the ECOMAN programs. Schools and sponsors made up 66% of this amount (\$53,210) and 34% (\$27,232) was applied as financial support to schools from the Sylvia and Charles Viertel Charitable Foundation.

Interest income more than doubled from \$1,038 in 2016 to \$2,453 in 2017 partly reflecting a higher level of cash on hand and on deposit. Membership subscriptions, sponsorships and sundry income derived during 2017 of \$1,510 remained relatively consistent to 2016.

Expenditure

Total expenditure for 2017 was lower by \$7,510 from \$87,171 in 2016 to \$79,661. The reduction in wages and contractor payments, superannuation, travel and catering costs were mainly due to three fewer programs (two school programs and one championship round) being delivered in 2017 compared with 2016.

Insurance expenses, bank charges and depreciation charges decreased slightly in 2017 compared to 2016.

Balance Sheet

Total assets as at 31 December 2017 were \$192,507, an increase from \$157,881 as at 31 December 2016 by \$34,626. The increase in assets was represented by: the cash balance growing by \$27,415, the recognition of \$2,200 in trade debtors and the renewal of the ECOMAN program license for \$5,557.

Total liabilities as at 31 December 2017 increased by \$29,560 to \$107,490 from \$77,930. The increase was represented by: the amount payable on the ECOMAN program license of \$5,557 being paid post balance date and an increase of \$22,768 in the amount of Viertel funding received from the Foundation which was not spent at end of the year.

As a consequence of the above net assets increased by \$5,066 to \$85,017.

EXECUTIVE COMMITTEE

The year under review saw a number of changes in the make-up of the committee. As noted above the President Bruce Cowley decided to step down and I was privileged to succeed him having served as Chair of the Executive Committee for the previous six years. Franki Ganter was appointed Chair after some five years on the committee.

Three new members were welcomed during the year: Kay Chau from BDO was appointed in June as Treasurer and replaced Bodie Smith who resigned; Penny Ellenger from Chartered Accountants Australia and New Zealand and Chris Skelton formally from BDO attended their first meeting in August. Dr Ian Paterson's resignation was accepted in December due to other business commitments. Ian was a member of the committee from 2012 and served as Treasurer during part of that time.

ACKNOWLEDGEMENTS

Without the ECOMAN's Education Coordinator Barry Hopf and his facilitators, namely Bob Kelsey, Joe Abercrombie, Gary Ball, John Mills, Judy Xavier and Debbie Perrett none of the programs would have been delivered. Their business and education backgrounds are called upon to provide the real life experience in every program. Barry's coordinating role which involves liaising with school Heads of Business to secure and lock in programs and payments is particularly important

QPEC is very appreciative of the support that the Griffith Business School has provided over the past 14 years or so. Administration support has continued to be provided by Fran Griffin and Mary Moloney-Vaughan and executive committee representation from Professor David Grant, Pro Vice Chancellor (Business) and Associate Professor Peter Woods, Director (International).

I would like to thank sincerely all retiring and continuing Executive Committee members for their hard work during the year and particularly Franki Ganter the Committee Chair and Kay Chau Treasurer. Thousands of young Queenslanders are beneficiaries from the efforts of everyone at QPEC.



.....
Susan Rix AM, President

**QUEENSLAND PRIVATE
ENTERPRISE CENTRE INC.**

**Special Purpose Financial Report
for the year ended 31 December
2017**

PKF Hacketts Audit
Level 6, 10 Eagle Street
BRISBANE QLD 4000
Telephone: (07) 3839 9733

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 December 2017**

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.**

Opinion

We have audited the financial report of Queensland Private Enterprise Centre *Inc.*, which comprises the assets and liabilities statement as at 31 December 2017, the income and expenditure statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Queensland Private Enterprise Centre *Inc* as at 31 December 2017, and its financial performance for the year then ended in accordance with Associations Incorporation Act 1981 Queensland.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Queensland Private Enterprise Centre *Inc* in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Queensland Private Enterprise Centre *Inc* to meet the requirements of the Associations Incorporations Act 1981 Queensland. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporations Act 1981 Queensland and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Queensland Private Enterprise Centre *Inc.*'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Queensland Private Enterprise Centre *Inc.* or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Queensland Private Enterprise Centre *Inc.*'s financial reporting process.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
QUEENSLAND PRIVATE ENTERPRISE CENTRE INC. (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

PKF Hacketts Audit

Partner: Shaun Lindemann

Dated: May 2018

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

**STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Management Committee has determined that the Association is not a reporting entity, and as such, this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the Management Committee, the financial report:

- (a) presents a true and fair view of the financial position of the Association as at 31 December 2017 and of its performance for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Committee by:

.....
Chairman

.....
Committee Member

Brisbane, May 2018

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Income			
Interest		2,453	1,038
Members subscriptions		1,050	1,250
Ecoman Programs – Schools & Sponsors		53,210	60,672
Ecoman Programs – Viertel funds	4	27,232	23,294
Sponsorship		180	-
Sundry		602	455
		<hr/> 84,727	<hr/> 86,709
Expenditure			
Audit fees		1,835	1,485
Ecoman		74,091	81,890
Bank charges		69	133
Insurance		1,941	2,076
Depreciation and amortisation expense		523	707
Sundry expenses		1,202	880
		<hr/> 79,661	<hr/> 87,171
Surplus / (Deficit) for the year before income tax		5,066	(462)
Income tax expense	1	-	-
Surplus / (Deficit) for the year after income tax		5,066	(462)
Accumulated funds at the beginning of the year		<hr/> 79,951	<hr/> 80,413
Accumulated funds at the end of the year		<hr/> <u>85,017</u>	<hr/> <u>79,951</u>

The accompanying notes form part of these financial statements

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

**ASSETS AND LIABILITIES STATEMENT
AS AT 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash		182,717	155,302
Trade Debtors		2,200	-
Prepayments		1,510	1,533
TOTAL CURRENT ASSETS		186,427	156,835
NON CURRENT ASSETS			
Printer/Computer		19,584	19,584
Less: Accumulated Depreciation		(19,061)	(18,538)
Licence – 5 years		5,557	3,535
Less: Accumulated Amortisation		-	(3,535)
Website		24,164	24,164
Less: Accumulated Amortisation		(24,164)	(24,164)
TOTAL NON CURRENT ASSETS		6,080	1,046
TOTAL ASSETS		192,507	157,881
CURRENT LIABILITIES			
Trade Creditors		5,557	-
Payroll liabilities		1,513	473
Viertel advance		97,325	74,557
Accrued expenses		1,595	1,300
Payments in advance		1,500	1,600
TOTAL CURRENT LIABILITIES		107,490	77,930
NET ASSETS		85,017	79,951
ACCUMULATED FUNDS		85,017	79,951

The accompanying notes form part of these financial statements

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Queensland Associations Incorporation Act 1981. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a. Income Tax

The Centre is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

b. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment is measured on the cost basis. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

The depreciable amount of all fixed assets are depreciated over the estimated useful lives to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

c. Intangible assets

Intangible assets are measured on the cost basis. The carrying amount of intangible assets is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

The depreciable amount of all intangible assets are depreciated over the estimated useful lives to the association commencing from the time the asset is held ready for use.

d. Revenue from Viertel Funding

Revenue in relation to grant funding provided by the Viertel Foundation is recognised as and when required to supplement costs incurred by the Association on Ecoman program related costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

As at 31 December 2017 there were no mortgages, charges or securities of any description affecting the assets of the Association.

As at 31 December 2017, \$97,325 (2016: \$74,557) funds received from Viertel Foundation have not been allocated.

	2017	2016
	\$	\$
NOTE 4: ECOMAN PROGRAM		
Viertel funds balance 1 January 2017	74,557	47,851
Add: Viertel funds received in the year	50,000	50,000
Less: Funds applied to courses during the year	(27,232)	(23,294)
Viertel funds balance 31 December 2017	97,325	74,557

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

DISCLAIMER TO THE MEMBERS OF

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

The additional financial data presented on page 10 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the financial year ended 31 December 2017. It will be appreciated that our statutory audit did not cover details of the additional financial data. Accordingly we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Queensland Private Enterprise Centre Inc.) in respect of such data, including any errors or omissions therein however caused.

PKF HACKETTS AUDIT

Shaun Lindemann
Partner

Brisbane, May 2018

QUEENSLAND PRIVATE ENTERPRISE CENTRE INC.

UNAUDITED DETAILED ECOMAN PROGRAM COSTS

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Wages & Contractor Payments	54,625	57,646
Mileage	1,891	1,156
Travel	4,668	7,458
Accommodation	956	441
Meals	295	770
Lunches & Catering	4,878	6,485
Stationery	683	1,249
Computers	845	377
Telephone and broadband	720	288
Board Lunches	-	66
Miscellaneous	52	478
Super	4,478	5,476
Total ECOMAN costs	74,091	81,890

