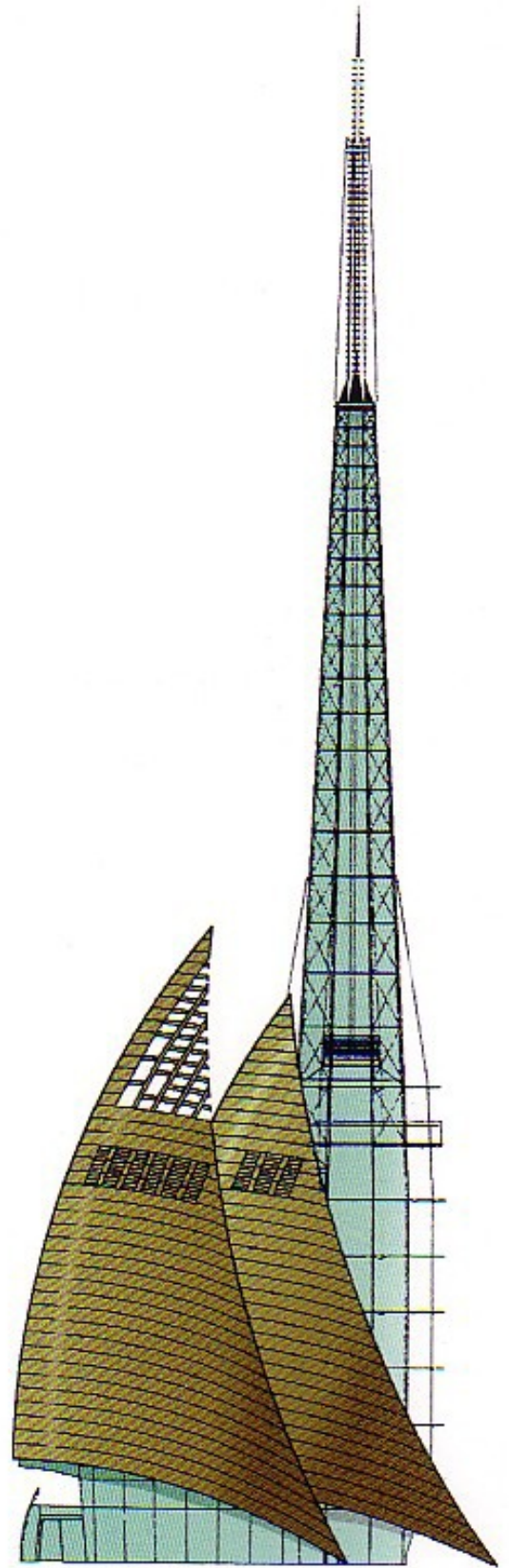


Swan Bells Foundation Inc.

Annual Report
2006-2007



ANNUAL REPORT 2006-2007

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STATEMENT OF COMPLIANCE

Hon Sheila M^cHale MLA
Minister responsible for Culture and the Arts

Dear Minister

In accordance with section 61 of the *Financial Management Act 2006* I hereby submit for your information and presentation to Parliament the Report of the Swan Bells Foundation Incorporated for the period 2006-2007 ending 30 June 2007. This Report has been prepared under section 61(1) of the *Financial Management Act 2006*.

A black ink signature, appearing to read 'Alastair Bryant', written in a cursive style.

Alastair Bryant
Chairman
8 August 2007

A blue ink signature, appearing to read 'Paul Grootveld', written in a cursive style.

Paul Grootveld
Manager
8 August 2007

OVERVIEW

Executive Summary

This has been an exciting year of growth and new initiatives for the Swan Bells. In line with the strategic plan, new exhibits together with a state-of-the-art audio visual system are now in place, heightening the visitor experience.

Swan Bells maintained its status as a very significant attraction for interstate and overseas visitors, and this year achieved the highest ratio of visitors originating from the Perth metropolitan area since the introduction of entrance fees. This year has also seen the development of an educational program directed at middle and upper primary students which will assist in the growth in the local market as well as providing a significant educational experience.

Swan Bells has seen income growth in the second half of the year due to a change in price structure along with continued growth in the level of paid attendance. Showing growth in these key indicators, despite the continuing road and rail works surrounding the Tower, bodes well for a strong position into the future.

The Swan Bells continues to promote relationships with the private sector to stimulate further donation funding for the procurement and refurbishment of high quality display pieces. This approach culminated in the Swan Bells hosting a donor event attended by the Minister and has resulted most noticeably in the restoration and installation of the Creasy Turret Clock sourced from Royal Ascot Racecourse in the UK and now in the foyer of the Belltower.

Seeing out another successful year with the Swan Bells, I would like to express my sincere thanks to members of the Board for their dedicated commitment and enthusiasm to progress the Swan Bells as a major attraction for our State. As evidenced by the ubiquitous use of the building's image on tourist information, souvenirs and local television, the Swan Bells has become an identifier of Perth and Western Australia in the same way that the Harbour Bridge and Opera House have come to represent Sydney.

I am pleased to report that in recognition of his ceaseless work, continued drive and donation of equipment and collections, Laith Reynolds was named *Patron of the Swan Bells* by the Swan Bells Foundation. Laith has offered outstanding support and encouraged others to support the Swan Bells. He continues this mission as one of the only original Board members still serving on the Foundation.

I acknowledge the monumental input of the bellringers who volunteer their time and expertise to entertain and educate visitors to the Swan Bells and to give this unique instrument its voice. They continue to strive for excellence in Bellringing, joining with world-famous touring Bellringing bands who visit the Swan Bells, which this year included the Royal Society of Cumberland Youth.

I wish to thank the Minister, the Hon Sheila M^cHale and the Western Australian State Government for continuing to support the Swan Bells. Finally, I thank Paul Grootveld and his team for their hard work and continued commitment to the Swan Bells.

A handwritten signature in black ink, appearing to read 'Alastair Bryant', with a large, stylized loop at the end.

Alastair Bryant

Chairman Swan Bells Foundation Inc.

8 August 2007

Operational Structure

In May 1999 Cabinet approved the implementation of Stage One of the *Barrack Square Redevelopment Project* which included the construction of the Swan Bells Belltower, built to house the culturally significant bells of the Church of St Martin-in-the-Fields. The bells of St-Martin-in-the-Fields were gifted to Western Australia in commemoration of Australia's Bicentennial in 1988. The ring of twelve bells was cast in 1725-26 and are the only Royal Bells known to have left England. The State Government commissioned the casting of the *Millennium Bell* and five other bells in 1988-1989 to complete the ring of 18 bells.

In accordance with the Western Australian Government's *Perth - A City for People: October 1994 Policy*, the Swan Bells Foundation Incorporated was established by Cabinet approval on 16 October 2000 under the *Associations Incorporation Act 1987*. The aforementioned policy aimed to link the city to the Swan River by providing cultural, recreational and other facilities to encourage maximum use of the river and foreshore.

The Swan Bells Foundation Inc. (the Swan Bells) functions as an oversight body established to achieve the stated goals of the constitution, which include the promotion and development of bellringing, music and the performing arts in Western Australia. However, the foundation's primary function has been to manage the Swan Bells Belltower in a commercially and functionally successful manner.

Full- and part-time employees are employed by the Swan Bells under standard employment contracts. Casual employees are employed under the *WA Minimum Conditions of Employment Act 1993*.

The Department of Culture and the Arts provides administrative and operational support to the Swan Bells. The Minister for Culture and the Arts is responsible for appointing four Board members and is represented on the Board by her nominee, Mr Alastair Bryant, the Chairperson of the Swan Bells Foundation Inc. Board and Director General of the Department of Culture and the Arts.

The Swan Bells has a statutory requirement to produce a separate Annual Report from the Department of Culture and the Arts. No legislation is administered by the Swan Bells or by the Minister for Culture and the Arts with the assistance of the Swan Bells.

In the performance of its functions, the Swan Bells complies with all relevant written law.

Board Members

The Swan Bells is administered by its Board which consists of 11 members. No Board members retired or completed their term in 2006-2007. Six Board meetings were held in 2006-2007 and no fees or allowances were paid to any member of the Swan Bells Foundation Inc. Below are detailed profiles of each Board Member.

❖ Alastair Bryant (Chairman)

Minister for Culture and the Arts Representative

Alastair was appointed Director General of the Department of Culture and the Arts in November 2000. The Department is part of the Culture and Arts Portfolio, along with the Art Gallery of WA, the WA Museum, the State Library of WA, Perth Theatre Trust and ScreenWest. Alastair serves on the Boards of the Museum, the Art Gallery, the State Library, ScreenWest and the Perth Theatre Trust. He was previously Commissioner of State Revenue in Western Australia, a position he held for six years.

Alastair has a Bachelor of Business, a Master of Leadership and Management degree, is a fellow of the Australian Society of Certified Practising Accountants, a fellow of the Australian Institute of Management and a fellow of the Taxation Institute of Australia.

His current interests include Rotary, in which he was a foundation member of the Heirisson Club and is a past President of that club. He was awarded a Paul Harris Fellow in recognition of his service to the Heirisson Club. He is also a founding Trustee of the Healing Hearts Foundation.

❖ **Richard Muirhead**

Appointed by the Minister for Tourism

Richard Muirhead is the Chief Executive Officer of the Western Australian Tourism Commission. Richard joined the Western Australian Public Sector in 1987, bringing with him some 14 years of private sector experience in market research and marketing.

He originally joined the Western Australian Technology and Industry Development Authority (TIDA) as the Director of the Marketing Division. Apart from two years in London (1990-1991) as Director of Trade and Investment of the Western Australian European Office, he remained with the Department in its various guises as Executive Director of Trade and Industry Development until 1997.

In mid-1997 he was appointed Chief Executive Officer of the WA Department of Commerce and Trade, the State's premier industry and trade development agency, a post he held until May 2001, when he left to head up the Western Australian Tourism Commission. Richard is also a member of the Australian Standing Committee on Tourism (ASCOT) and the State Aviation Ministerial Council.

❖ **Helen Carroll-Fairhall**

Appointed by the Minister for Culture and the Arts

Helen Carroll-Fairhall is Curator of the Wesfarmers Art Collection and Manager of Wesfarmers Arts, the company's extensive arts sponsorship program. Before joining Wesfarmers in 1999, Helen was Public Programs Coordinator and Curator of Australian Art at Lawrence Wilson Art Gallery at the University of Western Australia. Prior to that Helen managed the City of Perth Cultural Sponsorship portfolio. She is currently Chair of 'Art on the Move Western Australia'. She has been with Wesfarmers for five years and is curator of the exhibition *Sublime: 25 years of the Wesfarmers Collection*, the first nationally touring exhibition undertaken by the company.

❖ **Darryl Poulsen**

University of Western Australia Representative

Darryl Poulsen graduated with distinction from the Conservatoria of Luxembourg and Liege, Belgium in the horn classes of Professor Francis Orval and has a Master of Music degree from the University of Western Australia. He has held principal horn positions in European and Australian orchestras and has performed throughout Europe, North America, South America, Asia and Australia as a soloist, chamber musician and orchestral musician, while active in commissioning new works for horn and having compositions written specially for him. As a performer of both historical and natural horns, Darryl has performed as soloist, chamber music and orchestral player with the Joshua Rifkin New York Bach Ensemble, Anthony Halstead, Geoffrey Lancaster, Bart Van Oort, Cantus Koln and the Australian Brandenburg Orchestra.

His research into classical hand horn playing resulted in the publication of the first English translation of the *H. Domnich Méthode de premier et de second cor*, the most important primary source on classical hand horn playing.

Currently Head of the School of Music at the University of Western Australia, Darryl is also principal horn with the Australian Chamber Orchestra, with whom he has toured as soloist on national and international tours.

❖ **Tony Baker**

Perth Port at Barrack Square Inc. Representative

Tony Baker has been involved in the ferry industry at Barrack Square since 1971 when he began casual work on the Rottnest ferries whilst studying for a Bachelor of Commerce degree at the University of Western Australia.

In 1977 he became General Manager of Rottnest Passenger Service – a position he occupied until 1981. The lure of the sea proved more enticing and, after a 12-month holiday, Tony obtained his first Master's Certificate in Queensland, where he worked for a short period on the Gold Coast.

He returned to Perth when offered a position as Manager/Skipper of Captain Cook Cruises in August 1982. After the very competitive America's Cup period, Tony had the opportunity to purchase the company in 1987. Since then, the business has grown into the largest ferry company in Perth and operates six vessels up and down the Swan River moving over 200,000 passengers per year.

In 2001 the company successfully tendered for the South Perth Ferry Service and operates a further two vessels moving 400,000 people per year between Barrack Square and South Perth.

❖ **Richard Offen**

St Martin's Society of Change Ringers Representative

Richard, who is Executive Director of the City of Perth Heritage Appeal, has been a passionate bellringer for over 45 years and is well-known in ringing circles around the world. Over the years he has held various tower and ringing society offices, was Bells Advisor for the Diocese of Canterbury for thirteen years and is currently Honorary Public Relations Consultant to the Central Council of Church Bell Ringers.

He is very proud of his long association with ringing at Canterbury Cathedral. Master of the Canterbury Cathedral Company of Change ringers for five years, he also spearheaded a major project to restore and augment the Cathedral bells in 1981 – one of the largest bell restoration projects undertaken in the UK during the second half of the twentieth century. As a result of this he was elected, and remains, a Vice-President of the Cathedral Company.

A popular lecturer, not only on bell ringing but many other subjects, Richard has been a regular broadcaster on both radio and television and is a frequent contributor to the bell ringer's weekly journal, The Ringing World.

Before moving to Western Australia, Richard was on the staff of the UK National Trust where he was responsible for the Trust's famous Neptune Coastline Campaign. Under his direction this campaign raised over

£28million, enabling nearly one hundred miles of the spectacular British coastline to be purchased and protected by the Trust.

❖ **Max Kay**

City of Perth Representative

Max Kay, AM CitWa, is a Councillor for the City of Perth. Max arrived in Perth from Scotland in 1967 and soon became one of Perth's most sought-after performers.

In 1976, Max opened the Civic Theatre Restaurant where he wrote, produced and performed in his own shows. The Civic Theatre was an icon for 25 years, playing to over 1.5 million people and employing up to 100 people including stage performers, technicians, administration, food and beverage and sales staff.

In 2001 Max closed the Civic to pursue other goals. In the same year he was awarded the Citizen of the Year Award in Arts, Culture and Entertainment. Following this in 2003, he received the Order of Australia and the Prime Minister's Centenary Medal.

Max is currently active on a wide range of committees and Boards and is passionately committed to seeing the City of Perth continue to develop.

❖ **Laith Reynolds**

Appointed by the Minister for Culture and the Arts

During his youth, Laith was very active in the life of St George's Cathedral, Perth as head server and a leader of the youth group. This is where he developed his life-long passionate interest in English change ringing and in the bells themselves as an instrument. In 1960 this passion resulted in the refurbishment of the Cathedral bells and the re-introduction of change ringing to WA after a 30-year lapse.

While living in London in the mid 1980s, and hearing that the historic 12 bells of St. Martin-in-the-Fields were to be melted down and re-cast, Laith developed the idea of giving Australian metal to St. Martin's for their new bells and bringing the old bells (plus five new ones) to Perth. This project was originally planned for the Australian Bicentennial and the University

of WA's 75th anniversary and was to be implemented by the WA State Government with the help of its then Agent General in London, Mr. Ron Davies. The project stalled but eventually became in 2000 - with the vision of the then-Premier Richard Court and the architectural firm of Hames Sharley - the magnificent Swan Bells.

In recognition of his worldwide work on change ringing bells, Laith was given the Freedom of the City of London. Over the past 25 years he has organised and/or given bells, or rings of bells, to many new projects in the UK, Toronto and Honolulu as well as throughout Australia. While he was President of the Australian and New Zealand Association of Bellringers (ANZAB) he was instrumental in organising, encouraging, refurbishing and obtaining bells for many towers to mark Australia's Bicentennial. Since then he has played a major part in sourcing and donating bells for all five other towers in Western Australia: York, Claremont, Mandurah, Rockingham, and Mosman Park.

Laith is continuing to collect bells, clocks, books and artefacts from around the world to augment the collection and exhibits at Swan Bells.

❖ **Ian Macleod**

Appointed by the Minister for Culture and the Arts

Ian MacLeod has been a bellringer for more than 40 years, having learnt the ancient art in Ballarat as a student. During his post-doctoral sojourn in Scotland he rang at all the Scottish towers. He has been a member of the St George's Cathedral band since 1976 when he arrived in Perth. He is a foundation member of the St Martins Society at the Swan Bell Tower.

Ian began working at the WA Museum in 1978 and has extensive experience in the corrosion and conservation of metal objects and has conserved many bells from historic shipwrecks. His expertise in conservation is sought after by international bodies. He is currently Executive Director of Collection Management and Conservation at the Museum. He is a Fellow of the International Institute for Conservation, a Fellow of the Australian Academy of Technological Sciences and

Engineering and a Fellow of the Royal Australian Chemical Institute and is a regular ringer at the Swan Bells.

The seat available to a representative from the Tourism Council, Western Australia remained unfilled during the 2006/2007 year but the position has recently been filled.

Likewise the seat available for a representative from the Western Australian Academy of Performing Arts has remained vacant during the reporting period.

Senior Officers

The Manager Swan Bells is responsible for the following work areas: marketing, media and communications, business planning, government liaison, corporate/donor liaison and human and industrial relations.

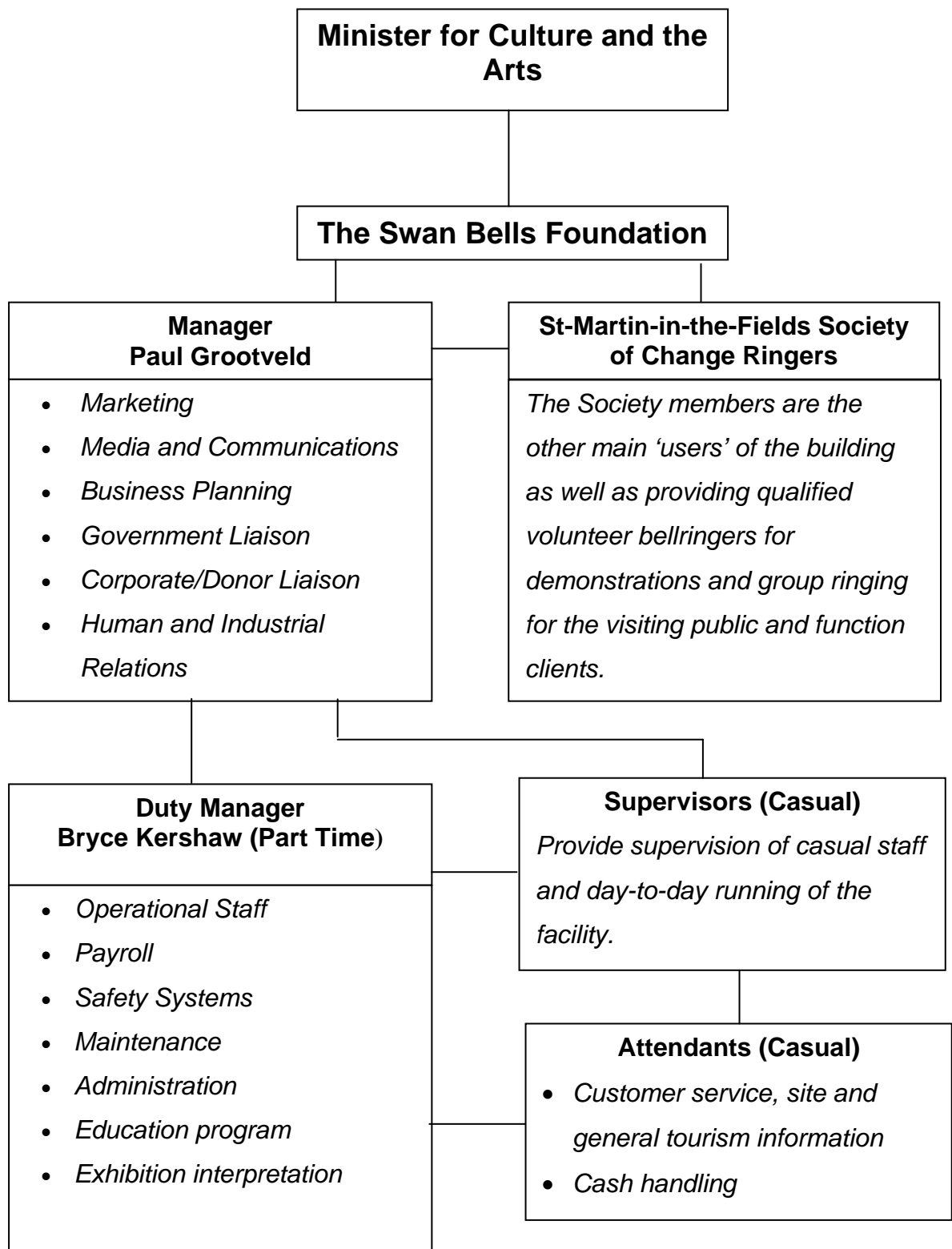
❖ Paul Grootveld MBA

Manager

Paul Grootveld has over 20 years of senior management experience within the tourism and recreation fields. He managed the Hotham Valley Tourist Railway and was part owner and Managing Director of Adventure World Pty Ltd. Paul remains active in the tourism industry through the following activities:

- chair of the Association of Perth Attractions
- member of the Chamber of Commerce's Capital City Committee
- representative for the attractions industry on the Tourism Council Western Australia.

Swan Bells Foundation Incorporated Organisational Structure



Performance Management Framework

Outcome Based Management Framework

The Swan Bells Foundation contributes to the Government's goals contained within the State's Strategic Management Framework, *Better Planning: Better Futures*. Its primary contribution is to *Government Goal 1*:

"Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services".

The Foundation directly contributes to the attainment of the *Better Planning: Better Futures Strategic Outcome 1.4: A strong and vibrant community*, which states:

"All members of society should have the opportunity to participate in cultural and artistic activities and voluntary work, which enrich people's lives and improve their connections with the wider community. Communities will be supported to develop welcoming and inclusive neighbourhoods with their unique histories and identities and the differing needs and abilities of people recognised and addressed"
[italicised to reflect the Swan Bells contribution].

AGENCY PERFORMANCE

Achievement Highlights

- Swan Bells was a Silver medallist in this year's Western Australian Tourism Awards in the category of Major Tourism Attraction and a Bronze medallist in the Heritage and Cultural Tourism category.
- Educating the community about bell ringing has been significantly improved with the provision of the highly successful UWA Extension courses run by Swan Bells ringer Richard Offen.
- The exposure and profile of the facility continues to increase with several tourism industry familiarisations and visits from foreign film crews, notably television's *The Amazing Race* and a number of Chinese and Japanese TV travel programs.
- Time and budget have been invested in contracting a Project Officer to generate positive media coverage of Swan Bells, with an aim to increase public awareness and the positive profile of the Belltower.
- This year has seen the further growth of our function business, particularly weddings. Despite limited advertising for this market, previous clients and their guests have provided excellent word-of-mouth recommendations. It is encouraging to note that over the last few years, quite a number of our corporate clients use the tower every Christmas for their annual staff party.
- Our Friends of the Bells program continues to attract new members. We currently have more than 2800 members on our database. These Friends of the Bells regularly visit the tower, bringing family and friends. Those on our email list regularly receive our informative Friends of the Bells Newsletter.
- The development of an education program designed for middle and upper primary. This has been successfully tested with teachers and school groups and is aimed at establishing the Swan Bells as an authentic educational experience for school excursions.

Objectives and Outcomes

The Swan Bells aims to achieve the goals and objectives stated in its Constitution through recurrent operations, as well as special projects and initiatives. Below, are the outcomes achieved in 2006-2007 that specifically relate to the goals and objectives stated in the Constitution.

1. To take a lease of the Tower from the Minister for Lands (amended to Minister for Culture and the Arts).

- The draft lease developed in 2005-2006 underwent further refinement at the Crown Solicitor's Office in consultation with the Department of Culture and the Arts and the Swan Bells. One of the challenges since the inception of the Foundation has been the potential exposure of Board members without surety of government funding. This situation has been resolved through the Department of Treasury and Finance via appropriations from the Department of Culture and the Arts and it is expected the lease will be signed in the near future.

2. To preserve, display and interpret the Bells and other objects of interest relating to bells and bell ringing.

- The bells have been continually kept in good ringing order with much of the work undertaken by the volunteer St Martin's Society of Change Ringers.
- This year, in conjunction with St George's Cathedral, a major service of the bells was completed by the Whitechapel Bell Foundry, London with assistance from the St Martin's Society, which showed the bells to be in good order. This is a testament to the maintenance provided by all the volunteers involved in the maintenance of the bells, given that the Swan Bells are the most used change ringing bells in the world.
- The maintenance of the bells was further assisted by this service visit when Alan Hughes, Managing Director of the Whitechapel Bell Foundry, ran a belfry maintenance training seminar at Swan Bells for members of St Martin's Society.

Additional bell and clock material continues to be sourced and acquired to increase the collection and enlarge the amount of material on display to improve the product presented to visitors. The '*It's About Time*' exhibition was refreshed with new material and was joined by the Asian Bells exhibit, also with material sourced by Laith Reynolds. Interpretation for the new exhibition pieces was developed in-house based on information provided by Laith Reynolds.

3. To use the change ringing Bells as the central element of an ensemble of bells which together form a significant musical instrument.

- The Swan Bells were rung every day and as an ensemble at least five times every week.

4. To gain favourable world recognition for Western Australia's role in promoting change ringing and the art of campanology.

- Swan Bells has become well-known throughout the bell ringing world as an exceptional instrument. Its status as a centre of the promotion of ringing excellence has been recognised by the Central Council of Church Bell Ringers in the United Kingdom (UK) (the chief English bell ringing organisation in the world) as a Ringing Centre, the only such designated tower outside the UK.
- Many well-known ringing bands have come to Perth from the UK specifically to ring on the Swan Bells and this year we welcomed the Society of Royal Cumberland Youths.

5. To educate and entertain people using the ensemble of Bells.

- Educational display material was provided throughout the building and on the Swan Bells website, as well as information supplied personally by the staff and bellringers to visitors.
- The very presence of the high-profile Belltower in such a prominent location has significantly increased people's knowledge and awareness of the bells with some 84,883 people visiting the Belltower during the recording period.

6. To encourage the performance of ceremonial bell ringing and to promote the use of the Bells as a musical instrument on ceremonial and other occasions in a manner which adds significant cultural heritage value to the City of Perth and Western Australia.

- The Swan Bells were rung for a number of ceremonial and special days throughout the year. Commemorative peals and quarter peals were also rung to observe special events and were rung on all public holiday commemoration days including Australia Day, ANZAC Day and notably National Police Remembrance Day in September, when the tenor bell tolled 81 times to honour the number of Police Officers who died in service in Western Australia.
- The St Martin's Society ringers rang quarter peals during 2006-2007
 - for 31 birthdays and 7 births
 - for 13 weddings/anniversaries
 - in memory of 14 special people
 - to celebrate the 150th Anniversary of Perth's Royal Charter granting it City status
 - in recognition of the conferral of Laith Reynolds as Patron of the Swan Bells Foundation.

7. To perform ceremonial bell ringing at times specified by the State Government.

- No specific requests for the bells to be rung were received during 2006-2007.

8. To promote the Belltower as a key tourist icon in Western Australia.

- The Belltower image continues to appear in an increasing range of publications as one of the key icons for Western Australia. Numerous international publications and international travel supplements, as well as commercially produced calendars, have all made use of the Belltower image to brand Perth and Western Australia.
- Swan Bells maintains an excellent relationship with Tourism WA and has hosted many travel industry and media familiarisations throughout the year.
- In conjunction with Tourism WA, a Swan Bells window display for the Visitor Centre in Albert Facey House was developed and installed.

9. To contribute to the Barrack Square public space in a positive and proactive manner.

- Swan Bells maintained the sculptures, water features and many of the external architectural lights in Barrack Square.
- The Swan Bells Manager is an active member of the Tourism Council of Western Australia and the Association of Perth Attractions and maintains contact with the City of Perth over use and promotion of the precinct.

10. To manage the Tower in a commercially and functionally successful manner.

- The Foundation structure has allowed the Belltower to operate on a commercial basis. Costs have been rigorously controlled whilst every effort has been made to maximise income to minimise the requirement for additional funding. However, visitor numbers have been too low to provide sufficient income to cover all costs.
- The Swan Bells has sought to maximise its advertising exposure, whilst maintaining low expenditure. It has done so by leveraging with organisations such as the Association of Perth Attractions.

11. To raise revenue or borrow funds in accordance with the Lease to achieve the objects of the Foundation.

- No loan funds have been sought. Funding support has been provided by the Western Australian Government as shown in the accounts.

12. To assist members of the Australian and New Zealand Association of Bellringers Inc. and/or its Western Australian members and bellringers generally with music education, change ringing and its extensions and the general use of the Bells and any other bells.

- The Swan Bells Foundation ensures that bellringers have access to the bells at all reasonable times to facilitate practice and training for bell ringing. The Foundation works closely with ANZAB to provide access to the Swan Bells for visiting bellringers.
- During the past year the St Martin's Society has undertaken the following ringing and activities at Swan Bells:
 - Fourteen recruits started to learn to ring during the year, eight of which have now been elected to the St Martin's Society (the other six have given up for various reasons) – a 57% retention rate is, by ringing standards, exceptionally high.
 - Hosted a visit from the Society of Royal Cumberland Youths (the Society whose headquarters is at St Martin in the Fields, London), during which a good proportion of St Martin's Society members had the opportunity to ring with some of the best ringers in the world. A measure of the standard of ringing here in Perth is demonstrated by the fact that a touch of *Orion Surprise Maximus* (the hardest change ringing method on twelve bells so far devised), on the Cumberlands' last night, contained no less than five members of the St Martin's Society band.
 - Six peals were rung including one by a Society of Royal Cumberland Youths band, all of whom used to ring regularly on the bells when they were at St Martin in the Fields.
- 105 quarter peals have been rung, involving 89 different ringers (44 from the St Martin's Society). Thirty Seven quarters contained "firsts", including
 - first quarter by an all Swan Bells trained band

- first quarter for Saskia Noorduijn, Janet Mitchell and Fred Manwaring
- first quarter as conductor for Michael Collinson, Rhys Greenhalgh and Philip Dickinson
- first quarter of *Surprise Maximus* (on 12 bells) by a local band
- local band quarter of *Bristol Surprise Royal* (the ringing difficulty equivalent of playing the Chopin 'Minute Waltz' on the piano).

13. To encourage liaison and cooperation between the Foundation and educational institutions, and in particular the University of Western Australia, the WA Academy of Performing Arts and other schools of music and performing art.

- The University of Western Australia is represented on the Foundation Board.
- A seat on the Board is currently vacant and is being held for a representative from the WA Academy of Performing Arts.

Swan Bells Implementation Plan

During the 2005-2006 reporting period the Swan Bells *Implementation Plan* was developed by key stakeholders to identify and prioritise a fit-out program. It was approved and formally adopted by the Swan Bells with the aim of greatly enhancing the ability to compete as an international tourist venue and improve its prospects of financial sustainability. The completion of the 2006-2007 year has seen the fruition of a number of components outlined in the Plan:

- The product within the building continues to be enhanced with additions to the bell and clock collection. An assortment of Asian bells has been acquired to be displayed at Swan Bells and installation has begun of the Ascot Turret Clock purchased from Royal Ascot in the UK and refurbished thanks to donations from Laith Reynolds and Mark Creasy. These exhibits represent only part of the growing collection of bells, clocks and related material being developed with the aim of building a world class collection.

- Installation of a state of the art audiovisual system allowing visitors to witness the ringers and the bells ringing simultaneously as well as providing an unparalleled training tool for new ringers. It also allows for the digital recording of ringing as well as the ability to play bell-related DVD material when ringers are not in attendance.
- This year has seen a concerted effort to further develop relationships with the private sector with the aim of securing donation funding to continue the procurement and installation of aspects of the Implementation Plan. This culminated with a Donors Event on 30 April 2007 attended by the Minister and several members of the corporate community. Significant donations have been received and a feasibility study on using a fund raising company is being undertaken to develop and execute a substantial fund raising campaign.

Business Support

The Department of Culture and the Arts continues to provide administrative support and as part of the Department of Culture and the Arts roll-in of its finance and procurement activities with the Office of Shared Services (OSS), the Swan Bells has installed a dedicated computer connection to OSS as a major step in the transition to utilising the services of OSS.

Planned Developments

There are several priority initiatives set for the 2007-2008 year which are discussed in further detail below.

1. Establish funding arrangements to provide for the medium- to long-term operation of Swan Bells.

- The business plan will focus on ways of further increasing revenues and building the business in the area of functions and events in order to further increase the percentage of self funding.
- To continue to improve the product on offer at Swan Bells to further enhance the visitor experience and encourage repeat visitation.
- To continue to realise the *Implementation Plan* and carry on the originally intended fit out of the building. This will be in conjunction

with a corporate fund raising campaign to be undertaken by Ron Lucerne-Knight. These funds will be used to obtain and install high quality exhibit pieces.

2. Continue to work with the bellringing community to help create opportunities for the Swan Bells to achieve the objectives of the Foundation.

- The bellringers are essential in ensuring that the Swan Bells is a living musical instrument that contributes positively to the arts in Western Australia. The bellringing community is committed to continuing its role of refining and implementing the objectives of the Foundation.

3. To increase awareness in the wider community that Swan Bells is part of the cultural fabric of Western Australia.

- A private donor has commissioned a historian to write a complete history of the Swan Bells. Once published, the history will be made widely available.
- We have developed an education package aimed at middle and upper primary which will be very widely promoted at the beginning of Term 3 to alert schools of the potential of the Swan Bells as an excursion destination. This has been tested with test school classes with very positive feedback.

SIGNIFICANT ISSUES AND TRENDS

Visitor Numbers and Trends

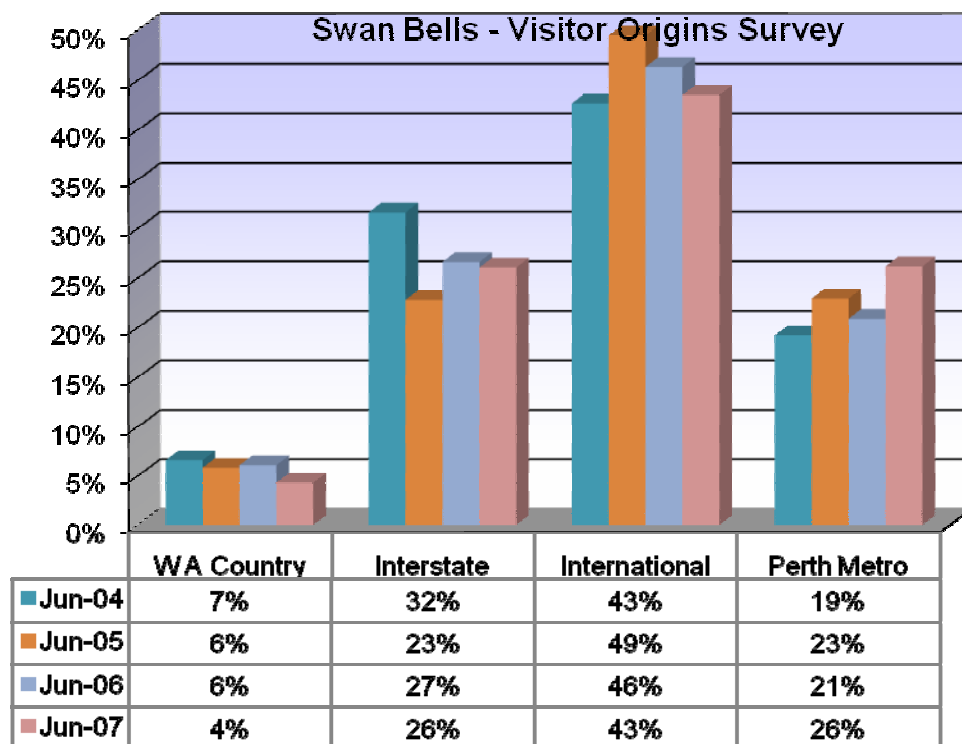
The Swan Bells is open every day of the year except Good Friday and Christmas Day. Admission charges from 1 July 2006 to 31 January 2007 were unchanged from the previous year. On 1 February 2007 entry prices were increased, based on a price change strategy developed together with the Department of Culture and the Arts to help ensure minimum impact from the price rise.

A family pass for 2 adults and their children was introduced and the offer of free entry on the first Tuesday of each month was withdrawn.

	July 06 to 31 Jan 07	1 Feb 07 to 30 Jun 07
Entry	\$6.00	\$10.00
Concession Entry	\$4.00	\$7.00
Family Pass (2 adults and their children)	N/A	\$25.00

During the reporting year 84,883 people visited Swan Bells. Surveys were conducted to determine visitor origins and see if the patterns were changing.

The graph below shows that whilst international and interstate visitors are continuing to play an important part in driving attendance, there has been growth in the Perth metropolitan segment.



The Swan Bells has seen continued growth in both attendance numbers and income despite the continuing road and rail works that have been ongoing around the Belltower throughout the year. These will be coming to completion in the near future and will provide more convenient transport options to Swan Bells.

It is also pleasing to note, as part of the attendance numbers data, the increased percentage of visitors originating from the Perth metropolitan area. This section of the market was significantly affected by the free period that followed the opening of the building, which allowed around 250,000 people through the building prior to the introduction of entrance fees.

Based on recurrent visitor surveys, local visitors represented 26% of the visitors in the 2006/2007 period, the largest proportional increase in full years with admission fees. This compares with the 21% of the previous year's visitors.

DISCLOSURES AND LEGAL COMPLIANCE

Other Financial Disclosures

Pricing Policies of Services Provided

The Swan Bells Foundation Incorporated has discretion to charge for services provided subject to Ministerial approval. Such approval was sought and obtained for an entry price rise on 1 February 2007 altering entrance fees to become \$10 and \$7 concession entry along with the introduction of a Family Pass for \$25 allowing entry to two adults and up to three children. This was the first price rise in three years and was introduced with very little negative reaction.

Employment and Industrial Relations

❖ **Employee Demographics**

Employee demographics for the year 2006-2007 compared to the previous reporting year are contained in the table below.

	2006-2007	2005-2006
Full-time (FTE)	4	4
Part-time (PTE)	1	2
Casual	12	13

❖ **Staff Development**

Swan Bells has a commitment to the development of its employees. However given the small scale and largely part-time casual pool, training is almost exclusively in-house and directed to the induction of new staff and regular training of all staff in day-to-day aspects of the business such as emergency procedures, the use of the audiovisual and records systems.

❖ Workers Compensation

No claims for workers compensation were recorded during the 2006-07 recording period.

Governance Disclosures**Contracts with Senior Officers**

At the date of reporting, other than normal contracts of employment of service, no Board Members or Senior Officers, or firms of which Members or Senior Officers are members, or entities in which Members or Senior Officers have substantial interests, had any interests in existing or proposed contracts with the Swan Bells Foundation Incorporated and Members or Senior Officers.

Insurance premiums paid to indemnify members of the Board

There is no insurance policy to indemnify members of the Board against any liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Other Legal Requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Swan Bells incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

- total expenditure for 2006-2007 was \$28,935.51
- expenditure was incurred in the following areas:

Expenditure with Advertising Agencies	Nil
Expenditure with Market Research Organisations	Nil
Expenditure with Polling Organisations	Nil
Expenditure with Direct Mail Organisations	Nil
Expenditure with Media Advertising Organisations	\$28,935.51
Marketforce Ltd	\$11,475.39
Eyezon Pty Ltd	\$4,545.46
Media Decisions	\$11,323.84
Neat Ideas	\$681.82
Sensis Pty Ltd	\$909.00
<hr/> TOTAL EXPENDITURE	<hr/> \$28,935.51



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SWAN BELLS FOUNDATION INCORPORATED FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Swan Bells Foundation Incorporated.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Swan Bells Foundation Incorporated
Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Swan Bells Foundation Incorporated at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Foundation provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Foundation are relevant and appropriate to help users assess the Foundation's performance and fairly represent the indicated performance for the year ended 30 June 2007.



JOHN DOYLE
ACTING AUDITOR GENERAL
21 September 2007

Key Performance Indicators

Certification of Performance Indicators

The Swan Bells Foundation Incorporated for the year ended 30 June 2007

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Swan Bells Foundation Incorporated's performance, and fairly represent the performance of the Foundation for the financial year ending 30 June 2007.



Richard Offen

Board Member

8 August 2007



Alastair Bryant

Chairman

8 August 2007

Key Performance Indicators

Government Goal

A community that is informed of, and has access to a diverse range of innovative ideas, knowledge and cultural experiences.

Desired Outcome

“Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.”

The Foundation contributes to this outcome by providing access for visitors and functions to the Bells, their history and bell ringing performances.

Effectiveness Indicators

Performance indicators are required under the *Financial Management Act 2006* and must be relevant, verifiable, free from bias and quantifiable. The following performance indicators address the effectiveness with which the Foundation undertakes work associated in achieving the above outcome.

Key Performance Indicator (1):

The extent to which the Foundation has been effective in attracting visitors to experience the history and culture provided by the Bells and the Bell Tower (visitor numbers).

❖ Rationale:

Visitors to the Swan Bells are personally provided with information and the background of the Bells by staff and bellringers. Educational material is also on display throughout the building. The Foundation is responsible for maintaining and promoting the use of the Bells as a musical instrument on ceremonial and other occasions in a manner, which adds significant cultural heritage value. Swan Bells is open from 10:00am every day of the year except Christmas day and Good Friday. The Bells ring as a minimum at 11:30am to 12:30pm Monday to Friday and from 12:30pm to 2:30pm Saturday and Sunday.

The success of Swan Bells in providing a cultural experience is evidenced by its capacity to draw visitors:

Year	2006-2007	2006-2007 Target	2005-2006	2004-2005	2003-2004
Visitor Numbers	84,883	84,100	84,103	79,952	77,340

Visitor numbers are calculated from the daily record of receipts.

Visitor numbers have increased by 0.9% in 2006-2007. Attendance was not forecast to increase in the 2006-2007 year as the option of free entry on the first Tuesday of each month was discontinued from February 1, 2007.

Key Performance Indicator (2):

The extent to which the Foundation has been effective in attracting functions to experience the history and culture provided by the Bells and the Bell Tower (function numbers).

❖ Rationale:

Functions play an important role in bringing visitors to Swan Bells who may not otherwise be exposed to the facility and its features. The following table reflects the number of functions held during the year:

Year	2006-2007	2006-2007 Target	2005-2006	2004-2005	2003-2004
Number of functions	32	35	35	34	27
Number of Groups (not previously recorded separately)	37	30	26		

Function numbers are recorded by the Swan Bells Manager.

Key Performance Indicator (3):

The extent to which the Foundation is able to operate and provide visitors with the history and culture provided by the Bells and the Bell Tower through income generated from its services (level of self-funding).

❖ Rationale:

Swan Bells derives much of its income from paid attendance. The capacity of Swan Bells to be a self-funded organisation will ensure its long-term viability in terms of achieving the Foundation's general objective:

- promoting
- encouraging
- sponsoring
- educating or
- advancing music and performing arts in Western Australia.

The following table reflects the percentage to which the Foundation's activities are funded from its own operations:

Year	2006-2007	2006-2007 Target	2005-2006	2004-2005	2003-2004
% of self funding	69	61	67	60	61

This percentage figure is derived by dividing the income received from operations by total cost of services as per the Statement of Financial Performance.

Swan Bells was able to increase its level of self-funding to 69 percent, which is an improvement over previous years. Free entry was continued on the first Tuesday of each month from July 06 through to January 07 with entry prices increased from 1 February 07.

Efficiency Indicators

The Swan Bells Foundation Incorporated applies the following measure to assess its efficiency in delivering the outcome:

“Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.”

The following table reflects the cost to the Foundation of providing its services as measured on a per visitor basis:

Year	2006-2007	2006-2007 Target	2005-2006	2004-2005	2003-2004
Cost of information services per visitor	\$8.20	\$8.48	\$7.75	\$7.54	\$7.46

This figure is derived by dividing the total cost of service by the total number of visitors.

The cost per visitor only increased by 5.8% during this financial year reflecting a general increase in operating expenses.

Financial Statements

Certification of Financial Statements

The Swan Bells Foundation Incorporated for the year ended 30 June 2007

The accompanying financial statements of the Swan Bells Foundation Incorporated have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

At the date of signing we are not aware of any circumstances that would render any particulars included in the financial statements misleading or inaccurate.



Tony Loiacono
Chief Finance Officer
3 September 2007



Richard Offen
Board Member
3 September 2007



Alastair Bryant
Chairman
3 September 2007

SWAN BELLS FOUNDATION INCORPORATED**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007	2006
		\$000	\$000
INCOME			
Revenue			
Sales	4	70	54
Provision of services	5	381	343
Other revenue	6	30	43
Total income		481	440
EXPENSES			
Expenses			
Cost of sales	4	37	14
Employee benefits expense	7	342	318
Supplies and services (a)	8	143	119
Depreciation and amortisation expense	9	11	9
Accommodation expenses	10	163	192
Other expenses	11	0	4
Total expenses		696	656
Loss before grants and subsidies from State Government		(215)	(216)
Grants and subsidies from State Government	12	260	285
Profit for the period		45	69

(a) Includes administrative expenses.

The Income Statement should be read in conjunction with the accompanying notes.

SWAN BELLS FOUNDATION INCORPORATED**BALANCE SHEET
AS AT 30 JUNE 2007**

	Note	2007 \$000	2006 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	21	31	22
Restricted cash and cash equivalents	21	7	35
Inventories	13	32	30
Receivables	14	0	3
Total Current Assets		70	90
Non-Current Assets			
Property, plant and equipment	15	125	45
Total Non-Current Assets		125	45
TOTAL ASSETS		195	135
LIABILITIES			
Current Liabilities			
Payables	17	40	31
Provisions	18	35	30
Other current liabilities	19	7	10
Total Current Liabilities		82	71
Non-Current Liabilities			
Provisions	18	20	16
Total Non-Current Liabilities		20	16
Total Liabilities		102	87
NET ASSETS		93	48
Equity			
Retained earnings	20	93	48
TOTAL EQUITY		93	48

The Balance Sheet should be read in conjunction with the accompanying notes.

SWAN BELLS FOUNDATION INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007	2006
		\$000	\$000
Balance of equity at start of period	20	48	(21)
RETAINED EARNINGS	20		
Balance at start of period		48	(21)
Profit for the period		45	69
Balance at end of period		93	48
Balance of equity at end of period		93	48
Total income and expense for the period (a)		45	69

(a) The aggregate net amount attributable to each category of equity is: surplus \$45,000 (2006: surplus \$69,000).

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SWAN BELLS FOUNDATION INCORPORATED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007	2006
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Sale of goods and services		70	54
Provision of services		382	342
Interest received		6	4
Donations and sponsorship		14	36
GST receipts on sales		45	40
GST receipts from taxation authority		(10)	3
Other receipts		10	3
<i>Payments</i>			
Employee benefits		(335)	(330)
Supplies and services		(127)	(122)
Accommodation		(79)	(76)
GST payments on purchases		(37)	(39)
Other payments		(126)	(152)
<i>Net cash used in operating activities</i>	21	(187)	(237)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(92)	(3)
<i>Net cash used in investing activities</i>		(92)	(3)
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies	12	260	285
<i>Net cash provided by State Government</i>		260	285
<i>Net increase/(decrease) in cash and cash equivalents</i>		(19)	45
Cash and cash equivalents at the beginning of the period		57	12
CASH AND CASH EQUIVALENT ASSETS AT THE END OF THE PERIOD	21	38	57

The Cash Flow Statement should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007****1 Australian equivalents to International Financial Reporting Standards****General**

Swan Bells Foundation's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements Swan Bells Foundation has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

Swan Bells Foundation cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by Swan Bells Foundation for the annual reporting period ended 30 June 2007.

2 Summary of significant accounting policies**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(c) Reporting Entity

The reporting entity comprises Swan Bells Foundation Incorporated. The Foundation has no related bodies.

(d) Income**Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transactions.

Interest

Revenue is recognised as the interest accrues.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Foundation obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(e) Property, plant and equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$1,000 are expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the Foundation uses the cost model for the measurement of property, plant and equipment. Items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Plant and equipment	4 to 10 years
Computer hardware and software(a)	4 years

Works of art controlled by the Foundation are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

(a) Software that is integral to the operation of any related hardware.

(f) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$1,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$1000 are expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Foundation have a finite useful life and zero residual value. The expected useful lives for each class of intangible assets are:

Licences	Up to 10 years
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(a) Software that is not integral to the operation of any related hardware.

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

(g) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Foundation is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

See note 16 'Impairment of assets' for the outcome of impairment reviews and testing.

See note 2(k) 'Receivables' and note 14 'Receivables' for impairment of receivables.

(h) Financial Instruments

The Foundation has two categories of financial instrument:

- Loans and receivables (includes cash and cash equivalents and receivables); and
- Non-trading financial liabilities (payables).

Initial recognition and measurement is at fair value. The transaction cost or the face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(i) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007****(j) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

See note 13 'Inventories'.

(k) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (*impairment*). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Foundation will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See note 2(h) 'Financial Instruments' and note 14 'Receivables'.

(l) Payables

Payables are recognised when the Foundation becomes obliged to make future payments as a result of a purchase of assets or services at amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

See note 2(h) 'Financial Instruments' and note 17 'Payables'.

(m) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

See note 18 'Provisions'.

(i) Provisions - Employee Benefits*Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Foundation does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

The superannuation expense represents payments to private superannuation funds.

See also note 2(n) 'Superannuation Expense'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

(ii) Provisions -other*Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Foundation's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

See note 11 'Other expenses' and 18 'Provisions'.

Restoration costs

A provision is recognised where the Foundation has a legal or equitable or constructive obligation to undertake restoration work. Estimates are based on the present value of expected future cash outflows.

(n) Superannuation Expense

The superannuation expense represents payments to private superannuation funds.

(o) Accrued Salaries

Accrued salaries (refer to note 19 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial

Accrued salaries are settled within a few days of the financial year end. The Foundation considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(p) Resources Received Free of Charge or For Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

(q) Comparative Figures

Comparative figures have been restated on the AIFRS basis except for financial instruments information, which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

3 Disclosure of changes in accounting policy and estimates**Initial application of an Australian Accounting Standard**

Swan Bells Foundation has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

1. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. Swan Bells Foundation does not currently undertake these types of transactions, resulting in no financial impact in applying the Standard.
2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At balance sheet date, Swan Bells Foundation has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.
3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, Swan Bells Foundation has not entered into any contracts as specified in the Interpretation, resulting in no impact in applying the Interpretation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

The following Australian Accounting Standards and Interpretations are not applicable to Swan Bells Foundation as they have no impact or do not apply to not-for-profit entities:

AASB Standards
and Interpretations

2005-1	'Amendments to Australian Accounting Standard' (AASB 139 – Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	'Amendments to Australian Accounting Standards [AASB 121]'
2006-3	'Amendments to Australian Accounting Standards [AASB 1045]'
2006-4	'Amendments to Australian Accounting Standards [AASB 134]'
2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139] – paragraph 9
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'
UIG 8	'Scope of AASB 2'

Future impact of Australian Accounting Standards not yet operative

Swan Bells Foundation cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, Swan Bells Foundation has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of Swan Bells Foundation's exposure to risks, enhanced disclosure regarding components of Swan Bells Foundation's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. Swan Bells Foundation does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. Swan Bells Foundation does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. Swan Bells Foundation is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

5. AASB 2007-5 'Amendment to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. Swan Bells Foundation does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, Swan Bells Foundation has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to Swan Bells Foundation if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, Swan Bells Foundation has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, Swan Bells Foundation has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

9. AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 makes amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements, AASB 111 Construction contracts, AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets, Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities and Interpretation 12 Service Concession Arrangements. AASB 2007-6 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be applied at the same time as AASB 123 Borrowing Costs. This standard principally removes the references to expensing borrowing costs on qualifying assets and is not expected to affect Swan Bells Foundation's financial report.

10. AASB 2007-7 Amendments to Australian Accounting Standards arising from AASB 2007-4 makes amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 2 Share-Based Payment, AASB 4 Insurance Contracts, AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB Cash Flow Statements and AASB 128 Investments in Associates. AASB 2007-7 is applicable for annual reporting periods beginning on or after 1 July 2007. This standard is only expected to impact disclosures contained within the financial report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

The following Australian Accounting Standards and Interpretations are not applicable to Swan Bells Foundation as they will have no impact or do not apply to not-for-profit entities:

AASB Standards
and Interpretations

AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139] – paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
Interpretation 10	'Financial Reporting and Impairment'
Interpretation 11	'AASB 2 – Group and Treasury Share Transactions'

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$'000	\$'000
4 Trading Profit		
Sales	70	54
Cost of Sales:		
Opening Inventory	(30)	(13)
Purchases	(39)	(30)
	(69)	(43)
Closing inventory	32	30
Cost of Goods Sold	(37)	(14)
Trading Profit	33	40
See note 2(j) 'Inventories' and note 13 'Inventories'.		
5 Provision of services		
Admission fees	347	316
Conferences	33	26
Commissions	1	1
	381	343
6 Other revenue		
Interest revenue from bank account balances	6	4
Donations and sponsorship	14	36
Recoup of prior year expenditure	10	3
	30	43
7 Employee benefits expense		
Wages and salaries	295	284
Superannuation	36	31
Long service leave (a)	4	5
Annual leave (a)	5	(8)
Other related expenses	2	6
	342	318
(a) Includes a superannuation contribution component.		
Employment on-costs such as worker's compensation insurance are included at note 11 'Other expenses'. The employment on-costs liability is included at note 18 'Provisions'.		
8 Supplies and services		
Advertising	50	62
Audit fees	5	5
Consultants and contractors	2	6
Consumables	4	5
Equipment maintenance	0	2
Equipment purchases < \$,1000	8	3
Freight	1	2
Insurance premiums	31	11
Lease/hire	1	2
Membership subscriptions	3	3
Payroll services	2	2
Printing	10	1
Subscriptions	3	3
Telephone	5	6
Other supplies and services	18	6
	143	119
9 Depreciation and amortisation expense		
Depreciation		
Computer, plant and equipment	11	9

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$'000	\$'000
10 Accommodation expenses		
Repairs and maintenance	85	115
Electricity and gas	47	38
Security	8	14
Water	7	8
Cleaning and rubbish removal	11	12
Parking	5	5
	163	192
11 Other expenses		
Employment on-costs (a) (see note 7 'Employee benefits expense')	0	4
	0	4
 (a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with recognition of annual and long service leave liability is included at note 18 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
12 Grants and subsidies from State Government		
Revenue received during the year:		
Recurrent	260	285
	260	285
13 Inventories		
Current		
Inventories held for resale:		
- Finished goods		
At cost	32	30
	32	30
 See note 2(j) 'Inventories' and note 4 'Trading Profit'.		
14 Receivables		
Current		
Prepayments	0	3
	0	3
15 Property, plant and equipment		
Computer equipment		
At cost	127	36
Accumulated depreciation	(30)	(23)
	97	13
Furniture and fittings		
At cost	43	43
Accumulated amortisation	(15)	(11)
	28	32
	125	45

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Computer equipment	Furniture and fittings	Total
	\$000	\$000	\$000
2007			
Carrying amount at start of year	13	32	45
Additions	91		91
Depreciation	(7)	(4)	(11)
Carrying amount at end of year	97	28	125

2006			
Carrying amount at start of year	14	37	51
Additions	3	-	3
Depreciation	(4)	(5)	(9)
Carrying amount at end of year	13	32	45

16 Impairment of assets

There were no indications of impairment of property, plant and equipment and intangible assets at 30 June 2007.

The Foundation held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for

All surplus assets at 30 June 2007 have been classified as assets held for sale or written-off.

	2007 \$'000	2006 \$'000
17 Payables		
Current		
Trade payables	37	28
GST Payable	3	3
	40	31

See also note 2(l) 'Payables' and note 25 'Financial instruments'.

18 ProvisionsCurrent

Employee benefits provision		
Annual leave (a)	31	26

Other provisions

Employment on-costs (b)	4	4
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35 30

Non-current

Employee benefits provision		
Long service leave (b)	20	16

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	28	25
More than 12 months after balance sheet date	7	5
	35	30

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

(b) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation premiums. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 11 'Other expenses'.

2007	2006
\$'000	\$'000

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-costs provision

Carrying amount at start of year	4	4
Carrying amount at end of year	4	4

19 Other liabilities

Current

Accrued salaries - 2 days (2006 - 6 days)	7	10
	7	10

20 Equity

Retained Earnings

Balance at start of year	48	(21)
Result for the period	45	69
Balance at end of year	93	48

21 Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	31	22
Restricted cash and cash equivalents (a)	7	35
	38	57

(a) Swan Bells Public Fund

Swan Bells Public Fund is a Restricted Cash asset in that the moneys comprising the Fund may be used only for the promotion of the objects of the Foundation. The Fund is administered by a Management Committee.

Reconciliation of loss before grants and subsidies from State Government to net cash flows used in operating activities

Loss before grants and subsidies from State Government	(215)	(216)
Non-cash items:		
Depreciation and amortisation expense	11	9
Decrease/(increase) in assets:		
Current receivables (b)	3	(3)
Inventories	(2)	(17)
Increase/(decrease) in liabilities:		
Current payables (b)	9	(12)
Current provisions	9	(3)
Accrued salaries	(3)	2
Change in GST in receivables/payables (a)	1	3
Net cash used in operating activities	(187)	(237)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

(a) This reverses out the GST in receivables and payables.

(b) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and receivable/payable in respect of sale/purchase of non-current assets are not included in these items as they are not reconciling items.

	2007	2006
	\$'000	\$'000
22 Commitments		
Lease commitments		
Commitments in relation to leases contracted for at the balance sheet date but not recognised as liabilities are payable as follows:		
Within 1 year	0	3
	0	3
Representing:		
Cancellable operating leases	0	3
	0	3

These lease commitments are all inclusive of GST.

23 Events occurring after balance sheet date

The Foundation is unaware of any event occurring after balance sheet date that would materially affect the financial statements.

24 Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2007 and between the actual results for 2006 and 2007.

Significant variations are considered to be those greater than 10% or \$20,000.

Significant variances between estimate and actual results for the financial year

	2007	2006	
	Estimate	Actual	
	\$'000	\$'000	Variation
			\$'000
Income	434	481	(47)

Income

The variance is mainly due to a growth in the number of functions being booked at the Bell Tower during 2007, resulting in an increased functions income and slight increased sales of merchandise. There was also an increase in the entrance fee for visitors.

Significant variances between actual and prior year actual - revenues and expenditures

	2007	2006	
	\$'000	\$'000	
			Variance
			\$'000
Income	481	440	41
Grants and subsidies from State Government	260	285	(25)
Employee benefits expense	342	318	24
Supplies and services	143	119	24
Accommodation expenses	163	192	(29)

Income

The variance is mainly due to a growth in the number of functions being booked at the Bell Tower during 2007, resulting in an increased functions income and slight increased sales of merchandise. There was also an increase in the entrance fee for visitors.

Grants and subsidies from State Government

The amount of funding provided to the Foundation from State Government is the amount required to fund operations and achieve a break-even position. The amount required in 2006 was higher than budgeted, reflecting some maintenance costs that were required to be carried out. There was not the same level of expenditure on maintenance in 2007.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

Employee benefits expense

A higher employee expense reflects award salary increases and the associated leave entitlement value increase.

Supplies and services

Increased expense relates mainly to increased printing and advertising costs and insurance

Accommodation expenses

Expenses relating to building repairs and maintenance increased in 2006, but were not as high in 2007.

25 Financial instruments**(a) Financial Risk Management Objectives and Policies**

Financial Instruments held by the Foundation are cash and cash equivalents and receivables and payables. The Foundation has limited exposure to financial risks. The Foundation's overall risk management program focuses on managing the risks identified below.

Credit risk

The Foundation trades only with recognised, creditworthy third parties. The Foundation has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Foundation's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Foundation's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans and finance leases. The Foundation has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Foundation's exposure to market risk for changes in interest rates relate primarily to its account balances held in its Operating Account and the Public Fund Bank Account held at the Commonwealth Bank of Australia.

(b) Financial Instrument Disclosures*Interest rate risk exposure*

The following table details the Foundation's exposure to interest rate risk as at the balance sheet date:

	Weighted Average Effective Interest Rate	Fixed Interest Rate Maturity					Total
		Variable Interest Rate	Less than 1 year	1 to 5 years	More than 5 years	Non - interest bearing	
2007	%	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
Cash and cash equivalents	6.52%	29				2	31
Restricted cash and cash equivalents	6.52%	7					7
		36	0	0	0	2	38
Financial Liabilities							
Payables						40	40
		0	0	0	0	40	40
2006							
Financial Assets							
Cash and cash equivalents	3.71%	20	0	0	0	2	22
Restricted cash and cash equivalents	3.71%	35					35
Receivables						3	3
		55	0	0	0	5	60
Financial Liabilities							
Payables						31	31
		0	0	0	0	31	31

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

Fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

26 Remuneration of members of the accountable authority and senior officersRemuneration of members of the accountable authority

No remuneration was paid to members of Swan Bells Foundation during the year.

Remuneration of senior officers

The number of Senior Officers, other than senior officers reported as members of the Accountable Authority, whose total fees, salaries, superannuation, non-monetary and other benefits for the financial year, fall within the following bands is:

	2007	2006
\$80,001 - \$90,000	1	1
	\$ 000	\$ 000

The total remuneration of senior officers is:

87	87
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The superannuation included here represents the superannuation expense incurred by the Foundation in respect of senior officers, other than senior officers reported as members of the Foundation. No senior officers are members of the Pension Scheme.

2007	2006
\$'000	\$'000

27 Remuneration of auditor

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators

5	5
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28 Related and Affiliated bodies

Swan Bells Foundation Incorporated does not have any related or affiliated bodies.

29 Supplementary information

No public property was written off during the financial year.

There were no losses of moneys and public and other property through thefts or default during the financial year.

There were no gifts of public property provided by the Foundation during the financial year.