



**OPERA QUEENSLAND LIMITED**  
**ACN 010 258 750**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report together with the financial report of Opera Queensland Limited ("the Company") for the year ended 31 December 2020 and the auditor's report thereon.

### Directors

The Directors of the Company at any time during or since the end of the financial year are:

**David Siddle** *BA (Hons), PhD, FASSA*

Appointed Chair October 2018

Deputy Chair August 2016 – September 2018

Member, Audit and Risk Committee

Member, HR Committee

Director since September 2014

**Anne Cross AM** *BSW, MSW, FAICD*

Appointed Deputy Chair May 2020

Chair, HR Committee from February 2020

Member, Audit and Risk Committee until February 2020

Director since April 2017

**David Gow** *BCom, LLB, FAICD*

Appointed Treasurer May 2019

Chair, Audit and Risk Committee from May 2019

Director since April 2018

**Daniel Tobin** *BA Visual Arts, DipDramArt (Design)*

Director since August 2018

Member, HR Committee

**Will Fellowes** *BComm, GradDipCA, GAICD*

Member, Audit and Risk Committee since September 2016

Director since July 2019

**Judith Mather** *MBus (HR Management), MBus (Philanthropy and NFP)*

Director since September 2019

Member, HR Committee

**Katie McNamara** *BPhram (Hons), MBA, GAICD*

Director since September 2020

**Kim Challenor** *BComm, BA, CA*

Deputy Chair October 2018 – May 2020

Treasurer June 2012 – May 2018

Director since June 2012

Retired September 2020

## Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

	Directors Meetings		Audit & Risk Committee		HR Committee	
	Attended	Held*	Attended	Held*	Attended	Held*
D Siddle	8	8	5	5	4	4
K Challenor	6	6	-	-	-	-
A Cross	8	8	1	1	4	4
D Gow	8	8	5	5	-	-
W Fellowes	8	8	5	5	-	-
D Tobin	8	8	-	-	3	4
J Mather	8	8	-	-	4	4
K McNamara	4	4	-	-	-	-

\* Reflects the number of meetings held during the time the Director or External Committee Member held office during the year.

## Vision

Growing a community connected by the transformative power of opera.

## Purpose

Creating a vibrant and sustainable program of classic, contemporary and new work by diverse artists for diverse audiences across Queensland and beyond.

## Our strategy

Opera Queensland turns 40 in 2021, a time to celebrate the opportunities we have created for artists and audiences over the years and explore potential for growth and change. Opera Queensland's strategy in 2021-2022 builds stronger relationships with other Queensland arts organisations, pursues the development and presentation of new Australian works, reimagines works from the canon and increases opportunities for First Nations, culturally and linguistically diverse people (CALD) and people with disabilities to participate in our work.

Continuing to produce work of exceptional quality and embracing alternative ways to engage our audiences, we are expanding the public's perception of what opera is and who it is for. As one of the country's major arts organisations we are playing a vital role in the rejuvenation and activation of the state as it emerges from the impact of the pandemic.

This outcome of this approach will include:

- Continuing transformation of the art form to ensure its longevity and relevance
- New works added to the opera repertoire
- Engaged audiences who are advocates for the joy and connection opera creates in their lives and the wider community
- Works of scale illuminating the complex array of creative forces involved in producing opera
- Collaborations that precipitate new creative opportunities
- Positioning Queensland as a focal point of Arts activity
- Meaningful employment created for a strong community of artists and arts workers

Over the next two years Opera Queensland is embarking upon a new phase of audience development aimed at increasing first-time opera goers, residents outside of metropolitan Brisbane and diverse audiences, including First Nations, culturally and linguistically diverse people (CALD) and people with disabilities.

Our philanthropy strategy will build upon the success of the last three years, increasing income and support from private donors and corporate sponsors to ensure the ambitious goals of Opera Queensland are realised.

### Principal activities

The principal activities of the Company in 2020 were:

- *An Aria A Day* program which established a strong digital presence during the COVID-19 lockdown, consisting of 167 online performances, featuring 212 artists and reaching an audience of over 1.5 million people.
- Presentation of *Encore* at QPAC Concert Hall as part of QPAC's reopening of theatres after the closure in March due to COVID-19.
- *Opera Queensland Under the Stars* at Riverstage, Brisbane, to launch the 40<sup>th</sup> Anniversary season. Featuring seven opera singers, a chorus of 60 chorus members, an encore performance of *Songs of Belonging*, sung by students from Yeronga State High School, and a 70-strong Queensland Symphony Orchestra performing under the baton of our incoming Resident Conductor and Associate Music Director, Dane Lam.
- The presentation of 5 recitals in the intimate setting of Opera Queensland's studio space:
  - Hayley Sugars – *Songs of Desire*
  - Alex Raineri & Peter Bassett – *Wagner, His Contemporaries & Followers*
  - Bradley Daley – *Songs of Wagner and Strauss*
  - Jason Barry-Smith – *A Life in Many Parts*
  - Jose Carbo – *A Musical Life*
- The Te Deum Regional Chorus project, working online with regional communities in Cairns, Townsville, Mackay, Rockhampton, Gladstone, Toowoomba and the Gold Coast. Participants filmed themselves singing the 'Te Deum'; the powerful closing piece of Act 1 *Tosca*, and these recordings were compiled to combine over 90 singers from across the state singing as one with Opera Queensland artists.
- *Sing Sing Sing*, our community singalongs went online, connecting people from as far afield as Dubai and Amsterdam. When restrictions eased in Brisbane, we also offered people the opportunity to safely gather at locations throughout South Bank.
- After a period of inactivity, Opera Queensland's Young Artist Program was reignited thanks to a generous bequest. Opera Queensland's 2020 Young Artist, Rebecca Cassidy, received specialised music, language and stagecraft tuition, performed in concerts, and studied the role of Isolde in *Tristan und Isolde*.
- In-school programs and residencies, and community workshops were attended by participants as part of our Learning, Regional & Community activities.
- Involvement in the creative developments of a number of new works, including *Straight from the Strait* (formerly *Dancing the Line*) with First Nations artists from Torres Strait, *RIOT* with La Boite Theatre Company, and *Are You Lonesome Tonight* for Opera Queensland's 2021 regional tour, exploring the extraordinary qualities and surprising similarities of Opera and Country music.
- Numerous audience development and fundraising events and initiatives.

## Review and Result of Operations

The result for the Company for the year was a total surplus of \$3,311,069 (2019: \$1,297,349).

On 11 March 2020, the World Health Organisation declared COVID-19 a pandemic, and the Australian Government began restricting public gatherings from 13 March 2020. The operational impact of this public health emergency on the Company included the cancellation of live performances until October 2020. Replacement activities, including digital performances, were undertaken where possible to provide employment opportunities for artists impacted by the cancellations. The difference in income and expenditure between 2020 and 2019 reflects the impact of the partial cancellation of the Company's annual program of activities, including four main stage productions.

The Company received COVID-19 related benefits in the form of ATO Cash Boost Grant (\$100,000) and JobKeeper Payment (\$388,800) during the year. The JobKeeper support was received for the original period, commencing 30 March 2020, and both extension periods, until March 2021 when the scheme ended.

A four-year summary of results is presented below.

<b>Financial Performance</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING REVENUE</b>				
Event Income	139,927	1,530,660	2,253,455	1,378,928
Sponsorships & Donations	848,212	1,044,016	778,663	520,279
Grant Income	4,655,791	4,475,025	4,078,362	3,554,757
Other Income	121,236	209,167	180,414	181,404
<b>Total operating income</b>	<b>5,765,166</b>	<b>7,258,868</b>	<b>7,290,894</b>	<b>5,635,368</b>
<b>OPERATING EXPENSES</b>				
Production & Touring Costs	2,063,364	4,475,471	4,669,445	3,343,996
Community Programs & Education	87,781	193,072	207,085	218,546
Marketing & Business Development	1,036,429	1,136,271	984,369	776,602
Infrastructure and Administration	1,376,303	1,180,723	1,220,489	1,204,927
<b>Total operating expenses</b>	<b>4,563,877</b>	<b>6,985,537</b>	<b>7,081,388</b>	<b>5,544,071</b>
<b>Net Result from Operating Activities<sup>1</sup></b>	<b>1,201,289</b>	<b>273,331</b>	<b>209,506</b>	<b>91,297</b>
Bequests & Endowments	1,716,493	824,018	-	-
Fair value adjustment (endowment)	193,287	-	-	-
Reserves Matched Funding	200,000	200,000	-	-
<b>Total Income from Restricted Items<sup>2</sup></b>	<b>2,109,780</b>	<b>1,024,018</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>	<b>3,311,069</b>	<b>1,297,349</b>	<b>209,506</b>	<b>91,297</b>

1 Net result from Operating Activities excludes a number of restricted income streams which are not available for operating purposes.

2 Restricted Items include:

- Philanthropic bequest and endowments
- Fair value of adjustment of financial assets (shares) attributed to the donation and endowment reserve
- Reserves matched funding from the Australia Council

A more detailed review of the operations of the Company during the financial year is contained in Chair's Message and CEO & Artistic Director's Message in the Annual Report.

The Company is exempt from income tax.

### **Performance measurement**

The Company measures performance through agreed outcomes and performance indicators established in collaboration with the Queensland and Federal Governments. These performance indicators and measures are aligned directly to the achievement of our five core goals listed below through the actions and activities as articulated in our *Strategic Plan 2019-2021* and *Strategic Recovery Plan 2021-2022* in response to COVID-19. Performance measures and benchmarks are reviewed, and new measures set on an annual basis.

- Leading change in opera
- Nurturing and growing audiences
- Creating new pathways for artists and arts workers
- Celebrating diversity to build strong, vibrant communities
- Ensuring financial, operational and environmental sustainability and resilience

### **Members guarantee**

The Company is limited by guarantee and does not have share capital. The liability of its members is limited to \$50 for each member and the total amount liable for 2020 is \$650 (2019: \$850).

### **Events subsequent to balance date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### **Lead Auditor's independence declaration**

The Lead Auditor's independence declaration is set out on page 7 and forms part of the directors' report for financial year 2020.

Signed in accordance with a resolution of the Directors:



David Siddle  
Chair  
Brisbane, 20 April 2021

## DIRECTORS' DECLARATION

In the opinion of the Directors of Opera Queensland Limited ("the Company"):

- (a) The financial statements and notes set out on pages 8 to 28 are in accordance with the *Australian Charities and Not-for-profits Commission 2012*, including:
  - (i) giving a true and fair view of the financial position of the Company as at 31 December 2020 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission 2012*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This report is made in accordance with a resolution of the directors.



David Siddle  
Chair  
Brisbane, 20 April 2021



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the directors of Opera Queensland Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

*KPMG*

KPMG

*E. Neville Stanley*

Erin Neville-Stanley  
*Partner*

Brisbane  
20 April 2021



**OPERA QUEENSLAND LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUE FROM OPERATIONS</b>	<b>Notes</b>		
Event Income	8	139,927	1,530,660
Sponsorships & Donations	9	2,564,705	1,868,034
Other Income	10	295,866	202,511
Grant Income			
Queensland government			
Operational grant		3,234,632	3,291,770
Project funding		-	197,878
Other grants		100,000	100,000
Opera Conference funding	6	28,797	56,687
Federal government			
Operational grant		649,968	562,391
Project funding		5,885	24,683
Other - JobKeeper & ATO cash boost		488,800	-
Opera Conference funding	6	120,709	237,616
Local government		27,000	4,000
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>7,656,289</b>	<b>8,076,230</b>
Financial income (interest received)		18,657	6,656
Revenue from non-operating activities	21	200,000	200,000
<b>TOTAL REVENUE AND OTHER INCOME</b>		<b>7,874,946</b>	<b>8,282,886</b>
 <b>EXPENDITURE</b>			
Production & Touring	11	2,063,364	4,475,471
Community Programs & Education		87,781	193,072
Marketing & Business Development		1,036,429	1,136,271
Infrastructure & Administration		1,376,303	1,180,723
<b>TOTAL EXPENDITURE</b>	12	<b>4,563,877</b>	<b>6,985,537</b>
 <b>Net surplus</b>		<b>3,311,069</b>	<b>1,297,349</b>
Other comprehensive income attributable to members of the company		-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>		<b>3,311,069</b>	<b>1,297,349</b>

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 28.

**OPERA QUEENSLAND LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		Subordinated Loan	Donation and Endowment Reserve	Restricted Reserve	Accumulated Surplus	Total Accumulated Funds
		\$	\$	\$	\$	\$
<b>Balance at 1 January 2019</b>		<b>200,000</b>	-	-	<b>459,923</b>	<b>659,923</b>
Surplus for the year	i	-	-	200,000	73,331	273,331
Revenue from non- operating activities	i	-	-	200,000	-	200,000
Bequests and endowment funds received		-	824,018	-	-	824,018
Other comprehensive income		-	-	-	-	-
<b>Balance at 31 December 2019</b>		<b>200,000</b>	<b>824,018</b>	<b>400,000</b>	<b>533,254</b>	<b>1,957,272</b>
Operating Surplus for the year	i	-	193,287	200,000	1,001,289	1,394,576
Revenue from non- operating activities	i	-	-	200,000	-	200,000
Bequests and endowment funds received	ii	-	1,716,493	-	-	1,716,493
Other comprehensive income		-	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>200,000</b>	<b>2,733,798</b>	<b>800,000</b>	<b>1,534,543</b>	<b>5,268,341</b>

The Statement of Changes In Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 28.

- i During the year \$200,000 was transferred from the current year surplus to the Restricted Reserve to meet the conditions of the Reserves Incentive Matched Funding Scheme Agreement. The matched funding is included as revenue from non-operating activities. Refer to Note 21.

During the year \$193,287 was recorded as a net gain on financial assets (shares). This relates to investments held for restricted endowed funds.

- ii During the year \$1,716,493 was transferred from the current year surplus to the Donation and Endowment Reserve (2019: \$824,018). This represents restricted philanthropic funds received, with the income generated from the endowed funds to be contributed towards Opera Queensland's young artist programming activity

**OPERA QUEENSLAND LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Notes	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	13	2,894,510	1,322,025
Trade receivables and other assets	14	298,860	530,857
<b>Total Current Assets</b>		<u>3,193,370</u>	<u>1,852,882</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	1,013,323	781,923
Other investments	16	2,338,215	200,000
<b>Total Non-Current Assets</b>		<u>3,351,538</u>	<u>981,923</u>
<b>TOTAL ASSETS</b>		<u>6,544,908</u>	<u>2,834,805</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	260,455	117,895
Employee benefits	18	123,194	145,538
Lease liabilities		58,170	29,428
Provisions		119,000	-
Other	19	440,378	458,957
<b>Total Current Liabilities</b>		<u>1,001,197</u>	<u>751,818</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	18	44,671	29,497
Lease liabilities		230,699	96,218
<b>Total Current Liabilities</b>		<u>275,370</u>	<u>125,715</u>
<b>TOTAL LIABILITIES</b>		<u>1,276,567</u>	<u>877,533</u>
<b>NET ASSETS</b>		<u>5,268,341</u>	<u>1,957,272</u>
<b>Represented by:</b>			
<b>ACCUMULATED FUNDS</b>			
Subordinated loan	20	200,000	200,000
Donation and Endowment Reserve	9	2,733,798	824,018
Restricted Reserve	21	800,000	400,000
Accumulated surplus		1,534,543	533,254
<b>TOTAL ACCUMULATED FUNDS</b>		<u>5,268,341</u>	<u>1,957,272</u>

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 28.

**OPERA QUEENSLAND LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 \$	2019 \$
<b>Cash flow from operating activities</b>			
Cash receipts from customers and grantors		6,039,861	7,667,182
Cash paid to suppliers and employees		(3,974,023)	(6,815,203)
Interest Received		<u>10,291</u>	<u>16,281</u>
<b>Net cash from operating activities</b>	<b>23</b>	<u>2,076,129</u>	<u>868,260</u>
<b>Cash flow from investing activities</b>			
Contributions to Reserve Incentive Scheme		(400,000)	(200,000)
Interest and dividends received		31,062	-
Acquisition of plant and equipment		(97,042)	(33,312)
Proceeds from sale of plant and equipment		<u>300</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(465,680)</u>	<u>(233,312)</u>
<b>Cash flow from financing activities</b>			
Payment of lease liabilities		<u>(37,964)</u>	<u>(35,934)</u>
<b>Net cash used in financing activities</b>		<u>(37,964)</u>	<u>(35,934)</u>
Net increase in cash and cash equivalents		1,572,485	599,014
Cash and cash equivalents at 1st January		1,322,025	723,011
Cash and cash equivalents at 31st December	<b>13</b>	<u>2,894,510</u>	<u>1,322,025</u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 28.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Reporting entity**

Opera Queensland Limited (the “Company”) is a not-for-profit company limited by guarantee and incorporated under the *Corporations Act 2001*. The company is domiciled in Australia and its registered offices are at 140 Grey Street, South Bank Queensland.

The principal activities of the Company are to reflect, celebrate and enrich life in our communities through opera experiences.

The financial report was authorised for issue by the directors on 20 April 2021.

**2. Basis of preparation**

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profit Commission*.

A statement of compliance with International Financial Reporting Standards cannot be made due to the Company applying the not-for-profit sector specific requirements contained in Australian Accounting Standards.

(b) Basis of preparation

The financial report is presented in Australian dollars and prepared on the historical cost basis.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the financial report.

The accounting policies below have been applied consistently to all periods presented in the financial report.

(c) Going concern

The Company made a net surplus of \$3,311,069, continuing to build on its accumulated funds. The Company’s operations are funded in part by the Queensland and Federal Governments (the Funding Agencies), subject to the company meeting its funding and reporting obligations under the special conditions in the *2019-2021 Multi-partite Funding Agreement*. The Company continues to be subject to the Fair Notice Protocols of the Multi-partite Funding Agreement. The terms of the Multi-partite Funding Agreement are set out in Note 27.

The Company also receives additional funding from the Funding Agencies under the *2018-2021 Tri-partite Structural Adjustment and Temporary Funding Uplift Agreement*.

The Company has applied for funding under the new National Performing Arts Partnership Framework (NPAPF), which will replace the current Multi-partite Funding Agreement. It is the stated intention of the Funding Agencies that organisations will be funded for the period 2021-2028, noting that funding levels in the current Multi-partite contract will be honoured until the end of 2021. Funding levels for 2022-2024 will be confirmed when the outcome of an application is notified. Contracting of the NPAPF Agreement is due to occur by May 2021.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

As disclosed in Note 24, the Company has access to \$300,000 by way of an overdraft facility. Forecasts of cash flows have been prepared for the 12 month period from the date the Directors have approved this financial report which support the Directors' view that the Company will be able to pay its debts as and when they fall due in this period.

Having regard to the above the Directors are of the opinion that it is appropriate to prepare the financial statements on the going concern basis. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the assets carrying amounts or the amounts and classifications of liabilities that might be necessary should the Company not continue as a going concern.

(d) Economic dependency

The ability of the Company to maintain its operations is dependent, inter alia, on the continuing financial support of the Queensland Government through Arts Queensland and the Federal Government through the Australia Council as set out in the relevant Multi-partite Funding Agreements.

This in turn is dependent upon the Queensland Performing Arts Centre providing its venues on the planned dates for productions.

(e) New Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year. Their adoption has not had any material impact on the disclosures and/or amounts reported in these financial statements.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company are:

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS

**3. Significant accounting policies**

(a) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

*Event Income*

Event income from performance ticket sales are recognised when performances, for which the tickets were sold, take place.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

*Grants*

The annual grants from the Queensland (Arts Queensland) and Federal (Australia Council) Governments are received in instalments as scheduled under Multi-Partite Funding Agreement (Note 27). Grant revenue is brought to account when controlled, at the fair value of the consideration received. Grant revenue is subject to fulfilment of conditions as stipulated in the Multi-Partite Funding Agreement. In 2020, the Company satisfied all conditions of the Agreement, including reserves held, except for audience related KPI requirements. The Funding Agencies provided the Company grant condition relief for audience related KPIs due to the circumstances of COVID-19, with performing arts venue closures and capacity limitations throughout the year.

Grant revenue includes an amount that is paid directly to the Opera Conference to fund joint productions across states (refer Note 6).

Annual grants from the Queensland (Arts Queensland) and Federal (Australia Council) Governments for the *2018-2021 Tri-partite Structural Adjustment and Temporary Funding Uplift Agreement* are received in instalments and recognised at the time the obligation is fulfilled. In 2020, the Company carried forward a portion of its 2018, 2019 and 2020 Temporary Funding Uplift to 2021, to match the related strategic activity expenditure not yet completed. The amount carried forward into 2021 is shown in the Balance Sheet as an Other Current Liability (Note 19).

The Company also received receipts from the JobKeeper Program and ATO Cash Boost Grant. Funds received are accounted for as government grants and presented as income in Federal Government – Other grants.

Amounts received from the Australia Council under the *2019-2021 Reserves Incentive Matched Funding Scheme Agreement* (refer note 21) are presented as Revenue from Non-operating activities.

Other special purpose reciprocal grants, including local government grants and other State grants awarded are recognised at the time the obligation is fulfilled. All such grant funding provided in 2020 has been spent on the activity as required, and in accordance with each agreement. The Company did not receive any other forms of Government assistance.

*Sponsorships*

Cash sponsorship is recognised as income on receipt of the monies, at the fair value of the consideration received. The fair values of in-kind sponsorships are agreed between the Company and the sponsors having regard to the services being provided and are recognised as revenue over time.

*Donations and Bequests*

Cash donations, bequests and endowment funds are recognised as income on receipt of the monies. Non-cash donations and bequests are recognised when the gift is received by the Company and is recorded at fair value. Pledged donations are not recognised as income until received.

*Financial Income*

Unrestricted interest and dividends are recognised as income on receipt of the monies. Restricted interest and dividends earned on Bequest Investments are recognised as deferred income (refer Note 19) until the specific performance obligations of the Bequest are met.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

*Other Income*

Other income comprises fees and income earned from workshops held, tickets to fundraising and other company-held events, venue and equipment hires, provision of services, and other minor subsidiary activities. Other income is recognised when the Company controls the funding, at the fair value of the consideration received or receivable.

(b) Production costs

*Direct costs relating to operas*

The total cost of staging productions, including the manufacturing of costumes, scenery and properties, is charged as expenditure in the period in which the production is performed by the Company.

Costs of production and other associated expenditure in respect of performances not yet performed by the Company are included in 'Prepayments' (Note 14) for productions programmed within 12 months.

*Season launch and brochure costs*

Costs associated with the season launch and the development and printing of the season brochure are expensed when the launch occurs and when the brochures are sent out.

(c) Property, plant and equipment

Items of leasehold property, plant, equipment and motor vehicles are stated at cost or deemed cost less accumulated depreciation/amortisation and impairment losses (see accounting policy 3 (f)).

Depreciation/amortisation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Leasehold property - peppercorn	100 years
• Leasehold property - other	3-6 years
• Plant and equipment	3-10 years
• Lease plant and equipment	5 years
• Motor vehicles	3-6 years

The residual value, if not insignificant, is reassessed annually for impairment.

The Company has a long-term peppercorn lease of its premises at a rent of \$1 per annum. AAASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* postpones the requirement for not-for-profit entities to recognise peppercorn leases at fair value. On transition to AASB 16, the Company has elected to apply the relief and therefore, this lease is included in the balance sheet at deemed costs within property, plant & equipment and is amortised over the life of the lease. Refer to Note 15.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(d) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

*i. As a lessee*

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of both fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in "property, plant and equipment" and "lease liabilities" in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Impairment

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying value of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. The recoverable amounts of the Company's plant and equipment assets are calculated as the depreciated replacement cost of the asset.

Impairment of receivables is measured at an amount equal to lifetime expected credit losses. Receivables are individually assessed for impairment.

(g) Employee benefits

*Wages, salaries and annual leave:*

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be wholly settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

*Long service leave:*

The Company's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the corporate bond rate at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

*Superannuation:*

The Company contributes to industry defined contribution superannuation funds in accordance with current legislation and to authorised personal superannuation funds. Contributions are recognised as an expense in the statement of comprehensive income as incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(h) *Provisions*

Provisions are recorded when the Company has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after twelve (12) or more months, the obligation is discounted to the present value using an appropriate discount rate.

(i) Accounting Standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and early application is permitted. However, the Company has not applied the following new or amended standards in preparing these financial statements. The Company does not plan to adopt these Standard early and the extent of the impact has not been determined:

- AASB 2020-3 Amendments to Australian Accounting Standards –Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-1 Amendments to Australian Accounting Standards –Classification of Liabilities as Current or Non-current
- AASB 2020-6 Amendments to Australian Accounting Standards –Classification of Liabilities as Current or Non-current –Deferral of Effective Date

(j) Financial instruments

The Company's principal financial instruments comprise cash and short-term deposits, receivables, payables and share investments.

*Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowing, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment loss.

A financial instrument is recognised if the Company becomes a party to the contractual provision of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

*Share investments*

The Company measures all share investments initially at fair value. Subsequent to initial recognition, investments are measured at fair value as the contractual terms of the financial asset do not give rise to cash flows that are solely payments of principal and interest. Any profit or loss due to subsequent change in fair value is recorded in the profit or loss in the statement of comprehensive income.

(k) Joint arrangements

Under AASB 11, the Company classifies material interests in joint arrangements as either joint operations (if the Company has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Company has rights only to the net assets of an arrangement). When making this assessment, the Company considers the structure of the arrangements, the contractual terms of the arrangements and other facts and circumstances.

The Company has one joint arrangement, being an interest in Opera Conference, which is an entity established for the purpose described in Note 6. The Company's contribution in 2020 to Opera Conference was \$149,506 which was funded by the Queensland and Federal Governments. This joint arrangement is not material to the Company and consequently has not been accounted for as a joint arrangement.

**4. Company membership**

The Company is limited by guarantee and does not have share capital. The liability of the members is limited to \$50 for each member. Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while a member, or within one year after ceasing to be a member, for payment of the debts and liabilities of the Company (contracted before membership ceases) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amount themselves, such amount as may be required, not to exceed \$50 per member.

Membership of the Company consists of the following:

	<b>No. of members</b>	
	<b>2020</b>	<b>2019</b>
Life Membership	6	7
Annual Membership	13	17
	<hr/>	<hr/>
	19	24

**5. Income tax**

In accordance with Section 50-45 of the *Income Tax Assessment Act* the Company is not liable for income tax.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. Opera Conference**

In 1995 the state opera companies – Opera Queensland, West Australian Opera, State of South Australia united with the national company, Opera Australia, in a formally constituted partnership known as the Opera Conference, where the companies collaborate to produce and present one new production in most years, and to support opera regional touring throughout Australia. The Australian Government and the respective state governments fund the Opera Conference through each opera company’s Funding Agreement. Funding identified for this purpose is redirected by each opera company to the Opera Conference partnership to fund the collaborative initiatives undertaken. In 2020, only one tranche payment was made, with the Funding Bodies approving that the second tranche be repurposed by each company to assist financially through the COVID-19 pandemic.

	<b>2020</b>	<b>2019</b>
	\$	\$
Annual funding amount contributed to Opera Conference by Opera Queensland from:		
State Government funding	28,797	56,687
Federal Government funding	120,709	237,616
	149,506	294,303

**7. Auditors' Remuneration**

KPMG provide their audit services on an honorary basis and receive Corporate Partner status	35,000	35,000
---	--------	--------

**8. Event Income**

Differences in event income between 2020 and 2019 are largely due to the cancellation of main stage productions due to the COVID-19 pandemic.

**9. Sponsorships & Donations**

Sponsorships - cash	143,500	125,000
Sponsorships – in kind	119,898	311,926
Philanthropic Trusts and Foundations	265,000	260,000
Bequests	1,716,493	824,018
General Donations	319,814	347,090
	2,564,705	1,868,034

The Company received bequest funds (cash and shares) of \$1,716,493 during the year (2019: \$824,018 cash). The terms of the bequest require these corpus funds to be held by the Company and invested, with the income generated from the endowed funds to be contributed towards Opera Queensland’s young artist programming activity. The total of the donation and endowment reserve as at 31 December 2020 was \$2,733,798 (\$2,540,511 corpus plus \$193,287 fair value adjustment on shares) (2019: \$824,018, corpus).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>10. Other Income</b>		
Net gain/(loss) on financial assets	193,287	-
Other income	102,579	202,511
	295,866	202,511
	295,866	202,511

Net gain/(loss) on financial assets of \$193,287 represents the fair value adjustment on shares held for bequest investments (2019: \$0).

**11. Production & Touring**

As noted within the Directors' Report, differences in expenditure between 2020 and 2019 reflect the impact of production cancellations due to the COVID-19 pandemic.

**12. Employee expenses included within total expenditure**

Productions & touring	1,325,427	2,070,131
Community programs & education	46,706	88,007
Marketing & business development	558,313	402,160
Infrastructure & administration	710,674	744,527
	2,641,120	3,304,825
	2,641,120	3,304,825

**13. Cash and cash equivalents**

Cash balances	800	727
Bank balances	1,065,892	497,280
Short-term deposits	1,827,818	824,018
	2,894,510	1,322,025
	2,894,510	1,322,025

**14. Trade receivables and other assets**

Trade receivables	220,671	303,631
Prepayments	78,189	227,226
	298,860	530,857
	298,860	530,857

The 2019 prepayments balance includes \$152,456 for certain costume and set expenses associated with the *Tosca* production. This was fully expensed in 2020 when the regional tour was cancelled due to the COVID-19 pandemic.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>15. Property, plant &amp; equipment</b>		
Lease premium and leasehold improvements at deemed cost	797,102	797,102
Accumulated amortisation	(196,712)	(188,826)
	600,390	608,276
<p>The Company has a long-term peppercorn lease of its premises at a rent of \$1 per annum. The Company has elected to apply relief under the accounting standards and measured the peppercorn lease at deemed costs.</p>		
Plant and Equipment at cost	560,157	464,732
Accumulated depreciation	(428,247)	(413,302)
	131,910	51,430
Right-of-use assets – photocopiers & storage	354,608	153,421
Accumulated depreciation	(73,585)	(31,204)
	281,023	122,217
Net book value property, leases, plant and equipment.	1,013,323	781,923

At 31 December 2020, \$433,842 of assets has been fully written down (2019: \$432,224).

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

**Reconciliations**

*Lease and leasehold improvements*

Carrying amount at the beginning of the year	608,276	616,161
Amortisation charge for the year	(7,886)	(7,885)
Carrying amount at the end of the year	600,390	608,276

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<i>Plant and equipment</i>		
Carrying amount at the beginning of the year	51,430	34,577
Acquisitions during the year	97,042	33,312
Disposals during the year	(622)	-
Depreciation charge for the year	(15,940)	(16,459)
Carrying amount at the end of the year	131,910	51,430
 <i>Right-of-use assets</i>		
Carrying amount at the beginning of the year	122,217	-
Acquisitions during the year	201,187	153,421
Depreciation charge for the year	(42,381)	(31,204)
Carrying amount at the end of the year	281,023	122,217

Depreciation and amortisation expenses for the year are included under Infrastructure & Administration expenses in the Statement of Comprehensive Income.

Right-of-use assets consists of the Company's photocopier lease and storage lease.

**16. Other investments**

Term deposit – Reserve Incentive Scheme	600,000	200,000
Bequest shares – at cost	1,544,928	-
Bequest shares – revaluation	193,287	-
Bequest shares – at fair value	1,738,215	-
	2,338,215	200,000

The funds held on term deposit are in relation to the Reserves Incentive Matched Funding Scheme Agreement (refer Note 21). These funds are held in quarantine during the period of the agreement and are not available for funding of ordinary activities and have not been used to secure any liabilities of the Company.

**17. Trade and other payables**

Trade payables	125,124	13,271
Other payables and accrued expenses	135,331	104,624
	260,455	117,895



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>18. Employee benefits</b>		
<b>Current</b>		
<i>Liability for long service leave</i>		
Carrying amount at the beginning of the year	37,625	34,848
Leave accrued/(expensed) during the year	2,848	2,777
Carrying amount at the end of the year	40,473	37,625
 <i>Liability for annual leave and TOIL</i>		
Carrying amount at the beginning of the year	107,913	80,100
Leave accrued/(expensed) during the year	(25,192)	27,813
Carrying amount at the end of the year	82,721	107,913
<i>Total Current Employee Benefits</i>	123,194	145,538
 <b>Non-Current</b>		
<i>Liability for long service leave</i>		
Carrying amount at the beginning of the year	29,497	-
Leave accrued/(expensed) during the year	15,174	29,497
Carrying amount at the end of the year	44,671	29,497
<i>Total Non-Current Employee Benefits</i>	44,671	29,497
 <b>19. Other Liabilities</b>		
<b>Current</b>		
Government Grants in advance	364,556	364,332
Other income received in advance	43,500	85,000
Deferred revenue – Bequest (interest earned)	32,322	9,625
	440,378	458,957

Grants in advance includes \$272,089 of the 2018, 2019 and 2020 Arts Queensland Temporary Funding Uplift due to activity being carried forward to 2021 at which point the revenue will be recognised. There was no revenue received in advance in 2020 for 2021 subscription tickets (Ticket sales in advance).

Deferred revenue comprises restricted interest and dividends earned on Bequest Investments and are not recognised as earned until the specific performance obligations of the Bequest are met.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>20. Subordinated Deferred Loan</b>	200,000	200,000

The directors consider that as the subordinated deferred loan is only repayable on the winding up of the Company, or earlier by mutual consent between the Company and the loan holder, (being the Queensland Government) and it is subordinated to all other loans and creditors, it should be disclosed with the members' funds in the balance sheet. The loan is interest free.

**21. Grant Conditions – Reserves Held**

Opera Queensland's minimum required level of reserves held is 20% (net assets as a percentage of total expenditure) as defined by the Australia Council. Reserves exist and are maintained in order to protect the Company in the event of unanticipated adverse financial circumstances. As at 31 December 2020, unrestricted Reserves are above the required level of 20%.

Subject to KPI eligibility, the Company can access additional contributions to be used to build reserves from the Australia Council under the *2019-2021 Reserves Incentive Matched Funding Scheme Agreement*. Funds are held in quarantine during the period of the agreement and are not available for funding of ordinary activities or to secure any liabilities of the Company. In 2020, \$200,000 was accrued as revenue from non-operating activities and held in a restricted reserve within equity, which represents the Australia Council matched funding of the \$200,000 quarantined by the Company for the year ended 31 December 2020. This amount, plus \$400,000 of company contributions, plus \$200,000 Australia Council matched funding for 2019 makes up the \$800,000 held in restricted reserves within equity as at 31 December 2020.

**22. Commitments and Contingent Liabilities**

The Company, by the nature of its operations, has entered into contracts with artists, theatre proprietors, suppliers and others for productions, commissions and performances scheduled to be delivered or to take place through to 31 December 2021. Total amounts payable under these contracts are set out below.

Payable within one year		
Artists' fees	456,997	269,300
Venue hire & production	207,889	191,515
Other	30,000	30,000
	694,886	490,815
Payable within 2 – 5 years		
Other	-	-
	694,886	490,815

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>23. Reconciliation of cash flows from operating activities</b>		
<i>Cash flows from operating activities</i>		
Net surplus for the year	3,311,069	1,297,349
Bequest financial assets	(1,738,215)	-
Investment income	(31,062)	-
Disposal of fixed asset	322	-
Lease payments	37,964	35,934
Depreciation	15,940	16,459
Amortisation	7,886	7,885
<i>Operating profit before changes in working capital and provisions</i>	1,603,904	1,357,627
<i>Changes in:</i>		
Trade receivables & other assets	231,997	(157,686)
Other non-current assets	(158,806)	(122,217)
Trade & other payables	142,560	(110,665)
Employee benefits	(7,170)	60,087
Lease liabilities	163,223	127,159
Provisions	119,000	-
Other current liabilities	(18,579)	(286,045)
<i>Net cash from / (used in) operating activities</i>	2,076,129	868,260

**24. Financing Arrangements**

The Company has a bank overdraft facility for \$300,000 which is secured by a first registered mortgage over the Company's lease at South Bank.

**25. Financial instruments**

The Company is exposed to market risks (price risk) on financial instruments held for investments of the Bequest. These investments are Level 1 instruments as they are listed equities valued using quoted prices available in active markets.

The Company is not exposed to any material credit risks.

The Company has not entered into any derivative transactions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors the level of expected cash inflows together with expected cash outflows. The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the succeeding 60 days.

In respect of income-earning financial assets and interest bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the period in which they reprice. Non-derivative financial liabilities have a contractual maturity within 6 months. The carrying value for each class of financial assets and liabilities is in line with fair value.

	Notes	2020 \$ 6 Months or less	2019 \$ 6 Months or less
<b>Financial Assets</b>			
Cash and cash equivalents:	13		
<i>floating interest rate - 0.01% (2019: 0.15%)</i>		976,072	492,226
<i>non-interest bearing</i>		90,620	5,781
Term deposits		1,827,818	824,018
Trade receivables:			
<i>non-interest bearing</i>	14	220,671	303,631
		3,115,181	1,625,656

**26. Related party disclosures**

The following were key management personnel during the year:

**Directors**

Prof David Siddle

Ms Anne Cross

Ms Kim Challenor (*retired 8 September 2020*)

Mr David Gow

Mr Daniel Tobin

Mr Will Fellowes

Ms Judith Mather

Ms Katie McNamara (*appointed 8 September 2020*)

**Executives**

Mr Patrick Nolan

Ms Sandra Willis (*until 4 December 2020*)

**Other**

Ms Christine McEwan (*from 2 November 2020*)

All directors are non-executive and are required to be members of the Company. Several members of the Board are also Patrons of Opera Queensland. No remuneration is payable to the Directors of the Company and there were no amounts paid to superannuation funds or as retirement allowance in connection with the retirement of any Directors of the Company. Directors are provided with tickets free of charge to represent the Company at promotional events.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

Key Management Personnel provided donations to the Company during the year of \$69,086 (2019: \$91,802).

Executive compensation included in the Statement of Comprehensive Income is as follows:

	<b>2020</b>	<b>2019</b>
	\$	\$
Short term employee benefits	371,092	344,615
Long term employee benefits	1,322	2,957
Post-employment benefits	32,108	30,400
	404,522	377,972

**27. Tripartite and Multi-partite funding**

The Company receives funding from both the Queensland Government, administered by Arts Queensland, and from the Federal Government, administered by The Australia Council, (collectively the Funding Agencies).

Grant funding for 2020 was received subject to the conditions of the *2019 to 2021 Multi-Partite Funding Agreement*, which was signed on 20 December 2018. The funding detailed therein being subject to the Company complying with various conditions which are in general that the Company continues to meet the designation criteria of a Major Performing Arts Company and achieve Outcomes and Performance Indicators as agreed and reviewed annually. These conditions include the Company continuing to meet its reporting obligations, the condition of a surplus result, and ongoing close monitoring of budgets and programs.

The approved funding for the year 2021 is:

	\$
Australia Council	701,321
Arts Queensland	<u>2,783,371</u>
	<u>3,484,692</u>

**28. Subsequent Events**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.



# Independent Auditor's Report

To the members of Opera Queensland Limited

## Opinion

We have audited the **Financial Report**, of Opera Queensland Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2020, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Balance Sheet as at 31 December 2020.
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' declaration of the Company.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Other information

Other Information is financial and non-financial information in Opera Queensland Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Directors' Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report for the year ended 31 December 2020.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report



## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

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



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

*KPMG*

KPMG

*E. Neville Stanley*

Erin Neville-Stanley  
*Partner*

Brisbane  
20 April 2021