



OPERA QUEENSLAND LIMITED
ACN 010 258 750

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report together with the financial report of Opera Queensland Limited ("the Company") for the year ended 31 December 2021 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:

Linda Apelt *BEd, GradDipC, MEdSt, GAICD*

Appointed Chair January 2022

Member, Audit and Risk Committee since January 2022

Member, HR Committee since January 2022

Director since January 2022

Anne Cross AM *BSW, MSW, FAICD*

Appointed Deputy Chair May 2020

Acting Chair December 2022 – January 2022

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

Will Fellowes *BCom, 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 *BPharm (Hons), MBA, GAICD*

Director since September 2020

Member, Audit and Risk Committee since March 2022

Jody Currie *BA Gender Studies*

Director since October 2021

Member, HR Committee since March 2022

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

Retired December 2021

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

Director since August 2018

Member, HR Committee

Retired August 2021

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	9	11	4	4	4	4
A Cross	11	11	-	-	4	4
D Gow	10	11	4	4	-	-
W Fellowes	10	11	4	4	-	-
D Tobin	5	5	-	-	2	2
J Mather	11	11	-	-	4	4
K McNamara	9	11	-	-	-	-
J Currie	3	5	-	-	-	-

* Reflects the number of meetings held during the time the Director 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

2021 marked Opera Queensland's 40th anniversary. To celebrate, we looked back on the opportunities the company created for artists and audiences over the years, investing in the potential for growth and change.

Key to our success are the relationships we build with other Queensland artists and organisations, First Nations communities, culturally and linguistically diverse people (CALD) and people with disabilities. Through these relationships we enable the creation of new Australian work, reimagine works from the canon to make them relevant to contemporary audiences and increase the capacity of communities across the state to participate in the joy of telling stories with music.

Producing 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 play a vital role in the rejuvenation and activation of the state as it emerges from the pandemic.

The 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

Opera Queensland is building on a new phase of audience development aimed at increasing first-time opera goers, residents outside of metropolitan Brisbane and diverse audiences.

Opera Queensland's business development strategy builds upon the success of the last three years, increasing income and support from private donors and corporate sponsors to ensure the ambitious goals of the organisation are realised.

Principal activities

The principal activities of the Company in 2021 were:

- Presentation of three main stage productions at the Queensland Performing Arts Centre (QPAC):
 - The new Australian production of *Lorelei*, by Julian Langdon, Casey Bennetto and Gillian Cosgriff, presented by arrangement with Victorian Opera
 - a new production of Mozart's *The Marriage of Figaro*
 - *VERDI*, a concert performance of Verdi music, that replaced the scheduled production of *Aida*, which was cancelled due to COVID-19
- A tour of the new Opera Queensland production, *Are You Lonesome Tonight*, presented in Brisbane and 30 Queensland regional communities.
- The launch of the inaugural Festival of Outback Opera, in Longreach, Winton, Barcaldine, Blackhall and the Barcoo.
- The presentation of 7 recitals in the Opera Queensland studio:
 - Jane Sheldon & Alex Raineri – Songs of Love and Death
 - Kang Wang & John Woods – Secret – a Love that Never Was
 - Deborah Cheetham & Toni Lalich – Songs My Mother Sang to Me
 - Gregory Massingham & Stephen Emmerson – Winterreise
 - Eva Kong & Alex Raineri – Death Becomes Her
 - Sarah Crane, Shaun Brown & Alex Raineri – A Poet's Love
 - Alexandra Flood & Alex Raineri – Eastern Promises
- The *Songs of Love and War* project, which included:
 - Two performances in the industrial setting of the Urban Art Projects foundry (UAP) in Northgate with six soloists, twelve chorus and the University of Queensland Pulse Chamber Orchestra.
 - Three performances presented with Chrysalis Projects in association with Micah Projects and Caravanserai Restaurant, and in support of *Your Inner Circle Starts Here – Arts Against Gendered Violence*
- Presentations of the modern retelling of the classic Grimm tale *The Frog Prince* and Puccini's *La Bohème* in collaboration with shake & stir theatre co were delivered to primary and secondary students across metropolitan Queensland as part of the schools touring program. A school holiday performance was also held in the Opera Queensland studio.
- Five community events of *Sing Sing Sing* at Emporium Hotel South Bank and 3 online community singalongs when impacted by COVID-19 restrictions.
- Regional performances, including Opera at Jimbour with Queensland Music Festival.
- Opera Queensland's 2021 Young Artists, Rebecca Cassidy, Sofia Troncoso, Timothy Newton and Xenia Pushkarz-Thomas received specialised music, language and stagecraft tuition, and performed with company across multiple productions, concerts and events.
- In-school programs and residencies, and community workshops as part of our Learning, Regional & Community activities.
- 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, *The Call* with Connor D'Netto and Kate Miller-Heidke and Keir Nuttall, *Gilda* led by composer Stefan Gregory which explores the character of Gilda from Verdi's *Rigoletto*.
- Various 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 \$1,002,918 (2020: \$3,311,069).

The difference in income and expenditure between 2021 and 2020 reflects the impact of the partial cancellation of the Company's annual program of activities in 2020, including four main stage productions due to the COVID-19 public health emergency, including restrictions to public gatherings.

The Company received COVID-19 related benefits in the form of JobKeeper Payment (\$135,200) during the year (2020: \$388,800). 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.

Financial Performance	2021	2020	2019	2018
	\$	\$	\$	\$
OPERATING REVENUE				
Event Income	1,415,857	139,927	1,530,660	2,253,455
Sponsorships & Donations	1,236,631	848,212	1,044,016	778,663
Grant Income	4,815,247	4,655,791	4,475,025	4,078,362
Other Income	465,847	121,236	209,167	180,414
Total operating income	7,933,582	5,765,166	7,258,868	7,290,894
OPERATING EXPENSES				
Production & Touring Costs	4,458,509	2,063,364	4,475,471	4,669,445
Community Programs & Education	312,309	87,781	193,072	207,085
Marketing & Business Development	1,385,589	1,036,429	1,136,271	984,369
Infrastructure and Administration	1,324,069	1,376,303	1,180,723	1,220,489
Total operating expenses	7,480,476	4,563,877	6,985,537	7,081,388
Net Result from Operating Activities¹	453,106	1,201,289	273,331	209,506
Bequests & Endowments	550	1,716,493	824,018	-
Fair value adjustment (endowment)	449,262	193,287	-	-
Reserves Matched Funding	100,000	200,000	200,000	-
Total Income from Restricted Items²	549,812	2,109,780	1,024,018	-
COMPREHENSIVE RESULT	1,002,918	3,311,069	1,297,349	209,506

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 measures align with the five core goals listed below, as articulated in the *Strategic Recovery Plan 2021-2022* written alert to the impacts of 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 ordinary members is limited to \$50 for each member and the total amount liable for 2021 is \$650 (2020: \$650).

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 2021.

Signed in accordance with a resolution of the Directors:



Linda Apelt
Chair
Brisbane, 19 April 2022

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 2021 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.



Linda Apelt
Chair
Brisbane, 19 April 2022



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 2021 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.

The KPMG logo, consisting of the letters 'KPMG' in a stylized, handwritten font.

KPMG

A handwritten signature in black ink that reads 'Jillian Richards'.

Jillian Richards
Partner

Brisbane
19 April 2022

OPERA QUEENSLAND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		\$	\$
REVENUE FROM OPERATIONS	Notes		
Event Income	8	1,415,857	139,927
Sponsorships & Donations	9	1,237,182	2,564,705
Other Income	10	445,178	102,579
Net gain/(loss) on financial assets	11	449,262	193,287
Grant Income			
Queensland government			
Operational grant		3,486,201	3,234,632
Project funding		255,500	-
Other grants		100,000	100,000
Opera Conference funding	6	29,258	28,797
Federal government			
Operational grant		638,981	649,968
Project funding		17,467	5,885
Other - JobKeeper & ATO cash boost		135,200	488,800
Opera Conference funding	6	122,640	120,709
Local government		30,000	27,000
TOTAL REVENUE FROM OPERATIONS		8,362,726	7,656,289
Financial income (interest received)		20,669	18,657
Revenue from non-operating activities	22	100,000	200,000
TOTAL REVENUE AND OTHER INCOME		8,483,395	7,874,946
EXPENDITURE			
Production & Touring	12	4,458,509	2,063,364
Community Programs & Education		312,309	87,781
Marketing & Business Development		1,385,589	1,036,429
Infrastructure & Administration		1,324,069	1,376,303
TOTAL EXPENDITURE	13	7,480,476	4,563,877
Net surplus		1,002,918	3,311,069
Other comprehensive income attributable to members of the company		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY		1,002,918	3,311,069

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 2021

		Subordinated Loan	Donation and Endowment Reserve	Restricted Reserve	Accumulated Surplus	Total Accumulated Funds
		\$	\$	\$	\$	\$
Balance at 1 January 2020		200,000	824,018	400,000	533,254	1,957,272
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		-	1,716,493	-	-	1,716,493
Other comprehensive income		-	-	-	-	-
Balance at 31 December 2020		200,000	2,733,798	800,000	1,534,543	5,268,341
Operating Surplus for the year	i	-	449,262	100,000	353,106	902,368
Revenue from non- operating activities	i	-	-	100,000	-	100,000
Bequests and endowment funds received	ii	-	550	-	-	550
Other comprehensive income		-	-	-	-	-
Balance at 31 December 2021		200,000	3,183,611	1,000,000	1,887,649	6,271,260

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 \$100,000 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 22.

During the year \$449,262 was recorded as a net gain on financial assets (shares). This relates to investments held for restricted endowed funds.

- ii During the year \$550 was transferred from the current year surplus to the Donation and Endowment Reserve (2020: \$1,716,493). 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 2021

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	14	3,396,366	2,894,510
Trade receivables and other assets	15	258,497	298,860
Total Current Assets		<u>3,654,862</u>	<u>3,193,370</u>
NON-CURRENT ASSETS			
Property, plant and equipment	16	914,079	1,013,323
Other investments	17	3,087,477	2,338,215
Total Non-Current Assets		<u>4,001,556</u>	<u>3,351,538</u>
TOTAL ASSETS		<u>7,656,418</u>	<u>6,544,908</u>
CURRENT LIABILITIES			
Trade and other payables	18	431,534	260,455
Employee benefits	19	155,609	123,194
Lease liabilities		62,785	58,170
Provisions		-	119,000
Other	20	509,867	440,378
Total Current Liabilities		<u>1,159,796</u>	<u>1,001,197</u>
NON-CURRENT LIABILITIES			
Employee benefits	19	57,448	44,671
Lease liabilities		167,914	230,699
Total Current Liabilities		<u>225,362</u>	<u>275,370</u>
TOTAL LIABILITIES		<u>1,385,158</u>	<u>1,276,567</u>
NET ASSETS		<u>6,271,260</u>	<u>5,268,341</u>
Represented by:			
ACCUMULATED FUNDS			
Subordinated loan	21	200,000	200,000
Donation and Endowment Reserve	9	3,183,611	2,733,798
Restricted Reserve	22	1,000,000	800,000
Accumulated surplus		1,887,649	1,534,543
TOTAL ACCUMULATED FUNDS		<u>6,271,260</u>	<u>5,268,341</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 2021

	Notes	2021	2020
		\$	\$
Cash flow from operating activities			
Cash receipts from customers and grantors		7,828,444	6,039,861
Cash paid to suppliers and employees		(7,036,554)	(3,974,023)
Interest Received		<u>5,653</u>	<u>10,291</u>
Net cash from operating activities	24	<u>797,543</u>	<u>2,076,129</u>
Cash flow from investing activities			
Contributions to Reserve Incentive Scheme		(300,000)	(400,000)
Interest and dividends received		62,483	31,062
Acquisition of plant and equipment		-	(97,042)
Proceeds from sale of plant and equipment		<u>-</u>	<u>300</u>
Net cash used in investing activities		<u>(237,517)</u>	<u>(465,680)</u>
Cash flow from financing activities			
Payment of lease liabilities		<u>(58,170)</u>	<u>(37,964)</u>
Net cash used in financing activities		<u>(58,170)</u>	<u>(37,964)</u>
Net increase in cash and cash equivalents		501,856	1,572,485
Cash and cash equivalents at 1st January		2,894,510	1,322,025
Cash and cash equivalents at 31st December	14	<u><u>3,396,366</u></u>	<u><u>2,894,510</u></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 2021**

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 19 April 2022.

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 \$1,002,918, 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 *2021 to 2024 Tri-Partite Funding Agreement*. The Company is no longer subject to the Fair Notice Protocols of the Tri-partite Funding Agreement, and had its status amended to Additional Reporting in September 2021. The terms of the Tri-partite Funding Agreement are set out in Note 28.

The Tri-Partite agreement has been made under the National Performing Arts Partnership Framework (NPAPF). It is the stated intention of the Funding Agencies that organisations will also be funded for the period 2025-2028,

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

As disclosed in Note 25, 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 Tri-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 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

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 2021**

Grants

The annual grants from the Queensland (Arts Queensland) and Federal (Australia Council) Governments are received in instalments as scheduled under Tri-Partite Funding Agreement (Note 28). 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 Tri-Partite Funding Agreement. In 2021, the Company satisfied all conditions of the Agreement.

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 2021, the Company fully utilised the portion of its 2018, 2019 and 2020 Temporary Funding Uplift which was carried forward into 2021, with the related strategic activity expenditure being completed (refer Note 20).

The Company also received receipts from the JobKeeper Program. 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 22) 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 2021 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 20) until the specific performance obligations of the Bequest are met.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 productions

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 15) 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 16.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(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 2021**

(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 2021**

(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 2022 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 2020-1 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
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

(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 2021**

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 2021 to Opera Conference was \$151,898 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 ordinary member.

Membership of the Company consists of the following:

	No. of members	
	2021	2020
Life Membership	7	6
Ordinary Membership	13	13
	<hr/>	<hr/>
	20	19

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 2021**

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 and 2021, 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.

	2021	2020
	\$	\$
Annual funding amount contributed to Opera Conference by Opera Queensland from:		
State Government funding	29,258	28,797
Federal Government funding	122,640	120,709
	151,898	149,506

7. Auditors' Remuneration

Audit services provided by KPMG on an honorary basis and receive Corporate Partner status	23,000	35,000
Audit services – cash	12,000	-
	35,000	35,000

8. Event Income

Differences in event income between 2021 and 2020 are largely due to the cancellation of main stage productions due to the COVID-19 pandemic in 2020.

9. Sponsorships & Donations

Sponsorships - cash	329,000	143,500
Sponsorships – in kind	247,320	119,898
Philanthropic Trusts and Foundations	270,000	265,000
Bequests	550	1,716,493
General Donations	390,311	319,814
	1,237,182	2,564,705

The Company received bequest funds (cash and shares) of \$550 during the year (2020: \$1,716,493 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 2021 was \$3,183,611 (\$2,541,062 corpus plus \$642,549 fair value adjustment on shares) (2020: \$2,733,798, \$2,540,511 corpus plus \$193,287 fair value adjustment on shares).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
10. Other Income		
	445,178	102,579
<p>Differences in other income between 2021 and 2020 reflect an increase in sets and costumes hires and manufacturing services.</p>		
11. Net gain/(loss) on financial assets		
<p>Net gain/(loss) on financial assets of \$449,262 represents the fair value adjustment on shares held for bequest investments (2020: \$193,287).</p>		
12. Production & Touring		
<p>As noted within the Directors' Report, differences in expenditure between 2021 and 2020 reflect the impact of production cancellations due to the COVID-19 pandemic.</p>		
13. Employee expenses included within total expenditure		
Productions & touring	2,428,810	1,325,427
Community programs & education	211,255	46,706
Marketing & business development	642,982	558,313
Infrastructure & administration	633,838	710,674
	<u>3,916,885</u>	<u>2,641,120</u>
14. Cash and cash equivalents		
Cash balances	500	800
Bank balances	898,188	1,065,892
Short-term deposits	2,497,678	1,827,818
	<u>3,396,366</u>	<u>2,894,510</u>
15. Trade receivables and other assets		
Trade receivables	180,394	220,671
Prepayments	78,103	78,189
	<u>258,497</u>	<u>298,860</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
16. Property, plant & equipment		
Lease premium and leasehold improvements at deemed cost	797,102	797,102
Accumulated amortisation	(204,597)	(196,712)
	592,505	600,390
<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	560,157
Accumulated depreciation	(454,871)	(428,247)
	105,286	131,910
Right-of-use assets – photocopiers & storage	354,608	354,608
Accumulated depreciation	(138,320)	(73,585)
	216,288	281,023
Net book value property, leases, plant and equipment.	914,079	1,013,323

At 31 December 2021, \$435,775 of assets has been fully written down (2020: \$433,842).

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	600,390	608,276
Amortisation charge for the year	(7,885)	(7,886)
Carrying amount at the end of the year	592,505	600,390

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
<i>Plant and equipment</i>		
Carrying amount at the beginning of the year	131,910	51,430
Acquisitions during the year	-	97,042
Disposals during the year	-	(622)
Depreciation charge for the year	(26,624)	(15,940)
Carrying amount at the end of the year	<u>105,286</u>	<u>131,910</u>
 <i>Right-of-use assets</i>		
Carrying amount at the beginning of the year	281,023	122,217
Acquisitions during the year	-	201,187
Depreciation charge for the year	(64,735)	(42,381)
Carrying amount at the end of the year	<u>216,288</u>	<u>281,023</u>

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.

17. Other investments

Term deposit – Reserve Incentive Scheme	900,000	600,000
Bequest shares – at cost	1,544,928	1,544,928
Bequest shares – revaluation	642,549	193,287
Bequest shares – at fair value	<u>2,187,477</u>	<u>1,738,215</u>
	<u>3,087,477</u>	<u>2,338,215</u>

The funds held on term deposit are in relation to the Reserves Incentive Matched Funding Scheme Agreement (refer Note 22). 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.

18. Trade and other payables

Trade payables	91,031	125,124
Other payables and accrued expenses	340,503	135,331
	<u>431,534</u>	<u>260,455</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
19. Employee benefits		
Current		
<i>Liability for long service leave</i>		
Carrying amount at the beginning of the year	40,473	37,625
Leave accrued/(expensed) during the year	3,820	2,848
Carrying amount at the end of the year	44,293	40,473
 <i>Liability for annual leave and TOIL</i>		
Carrying amount at the beginning of the year	82,721	107,913
Leave accrued/(expensed) during the year	28,595	(25,192)
Carrying amount at the end of the year	111,316	82,721
<i>Total Current Employee Benefits</i>	155,609	123,194
 Non-Current		
<i>Liability for long service leave</i>		
Carrying amount at the beginning of the year	44,671	29,497
Leave accrued/(expensed) during the year	12,777	15,174
Carrying amount at the end of the year	57,448	44,671
<i>Total Non-Current Employee Benefits</i>	57,448	44,671
 20. Other Liabilities		
Current		
Government Grants in advance	-	364,556
Other income received in advance	430,078	43,500
Deferred revenue – Bequest (dividends and interest earned)	79,789	32,322
	509,867	440,378

Grants in advance includes \$0 (2020: \$272,089) of the 2018, 2019 and 2020 Arts Queensland Temporary Funding Uplift. This revenue was recognised in 2021 due to activity being completed to 2021. There was no revenue received in advance in 2021 for 2022 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 2021**

	2021	2020
	\$	\$
21. Subordinated Deferred Loan	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.

22. 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 2021, 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 2021, \$100,000 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 \$100,000 quarantined by the Company for the year ended 31 December 2021. This amount, plus \$500,000 of company contributions, plus \$400,000 Australia Council matched funding for 2019 and 2020 makes up the \$1,000,000 held in restricted reserves within equity as at 31 December 2021.

23. 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 2022. Total amounts payable under these contracts are set out below.

Payable within one year		
Artists' fees	391,500	456,997
Venue hire & production	405,885	207,889
Other	-	30,000
	797,385	694,886
Payable within 2 – 5 years		
Other	-	-
	797,385	694,886

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
24. Reconciliation of cash flows from operating activities		
<i>Cash flows from operating activities</i>		
Net surplus for the year	1,002,918	3,311,069
Bequest financial assets	(449,262)	(1,738,215)
Investment income	(62,483)	(31,062)
Disposal of fixed asset	-	322
Lease payments	58,170	37,964
Depreciation	26,624	15,940
Amortisation	7,885	7,886
<i>Operating profit before changes in working capital and provisions</i>	583,853	1,603,904
<i>Changes in:</i>		
Trade receivables & other assets	40,364	231,997
Other non-current assets	64,735	(158,806)
Trade & other payables	171,079	142,560
Employee benefits	45,193	(7,170)
Lease liabilities	(58,170)	163,223
Provisions	(119,000)	119,000
Other current liabilities	69,490	(18,579)
<i>Net cash from / (used in) operating activities</i>	797,543	2,076,129

25. 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.

26. 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 2021**

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	2021 \$ 6 Months or less	2020 \$ 6 Months or less
Financial Assets			
Cash and cash equivalents:	14		
<i>floating interest rate - 0.01% (2020: 0.01%)</i>		867,199	976,072
<i>non-interest bearing</i>		31,489	90,620
Term deposits		2,497,678	1,827,818
Trade receivables:			
<i>non-interest bearing</i>	15	180,394	220,671
		3,576,759	3,115,181

27. Related party disclosures

The following were key management personnel during the year:

Directors

Prof David Siddle (*retired 17 December 2021*)
Ms Anne Cross
Mr David Gow
Mr Daniel Tobin (*retired 27 August 2021*)
Mr Will Fellowes
Ms Judith Mather
Ms Katie McNamara
Ms Jody Currie (*appointed 26 October 2021*)

Executives

Mr Patrick Nolan
Ms Christine McEwan (*from 1 January 2021*)
Mr Adam Tucker (*from 29 March 2021*)

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 2021**

Key Management Personnel provided donations to the Company during the year of \$76,453 (2020: \$69,086).

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

	2021	2020
	\$	\$
Short term employee benefits	450,206	371,092
Long term employee benefits	6,000	1,322
Post-employment benefits	40,849	32,108
	497,056	404,522

28. Tri-partite 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 2021 was received subject to the conditions of the *2019 to 2021 Multi-Partite Funding Agreement*, which was signed on 20 December 2018 and the *2021 to 2024 Tri-Partite Funding Agreement*, which was signed on 23 July 2021. The funding detailed therein being subject to the Company complying with various conditions which are in general that the Company achieves the Government Priorities, Key Performance Indicators and Special Conditions as agreed and reviewed annually. These conditions include the Company continuing to meet its reporting obligations and ongoing close monitoring of budgets and programs.

The approved funding for the year 2022 is:

	\$
Australia Council	708,336
Arts Queensland	<u>2,783,369</u>
	<u>3,491,705</u>

29. 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 2021, 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 2021;
- 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; and
- 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 2021.

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.

A stylized, handwritten-style logo of the letters 'KPMG' in blue.

KPMG

A handwritten signature in black ink that reads 'Jillian Richards'.

Jillian Richards
Partner

Brisbane
19 April 2022