



**OPERA QUEENSLAND LIMITED
ACN 010 258 750**

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report together with the financial report of Opera Queensland Limited ("the Company") for the year ended 31 December 2022 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 2021 – 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 April 2022

Jody Currie *BA Gender Studies*

Director since October 2021

Member, HR Committee since April 2022

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*
L Apelt	7	7	4	4	4	4
A Cross	7	7	-	-	4	4
D Gow	7	7	4	4	-	-
W Fellowes	7	7	4	4	-	-
J Mather	7	7	-	-	4	4
K McNamara	6	7	1	2	-	-
J Currie	7	7	-	-	3	3

* 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

As one of the country's leading arts organisations we take our responsibility for the development of the sector seriously, fostering collaborations with other companies and artists to create opportunities for artistic exploration and development.

In 2022 as we emerged from the COVID-19 pandemic, the mainstage seasons at QPAC continued to be impacted, with disrupted rehearsals and audience hesitation to return to performances at large indoor venues. Beyond this, our recital program, regional and school performances, and development and presentation of new works continued to grow. The labour market for arts workers, particularly in the areas of stage management, production, and wardrobe, has been severely depleted. As a result, we need to build on the momentum we have created in a way that is sustaining and sustainable.

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. The benefits of partnership and collaborative working models have become more critical to success in response to the COVID-19 pandemic. Collaborating to share costs and leverage investments will continue to be a high priority, including utilising existing networks such as Opera Conference. Through these relationships we enable the creation of new Australian productions and increase the capacity of communities across the state to participate in the joy of telling stories with music.

Opera Queensland is a major employer of artists and a wide range of other arts professionals, including administrators, music and language staff, stage managers and production crew. This makes us uniquely placed to produce work of exceptional quality and scale. In doing this we have an important role to play in preparing the Queensland arts sector for the important role culture will play in the upcoming Cultural Olympiad and 2032 Brisbane Olympics.

The outcome of this approach will include:

- Making Queensland a focal point of creative energy in opera
- Create meaningful employment for a strong community of artists and arts workers
- Increase capacity of the Queensland arts sector
- Artists, arts workers and audiences who are reflective of the diverse Australian community
- Audiences who are advocates for the joy and connection opera creates in their lives and the wider community
- Deeper relationships with our audiences and extended communities across the state
- Greater opportunities for diverse audiences to participate in the art form
- Establishing Opera Queensland as an internationally renowned centre of creative excellence
- Increasing representation of women, First Nations and people with disabilities working in creative leadership roles
- New works added to the opera repertoire
- Works of scale illuminating the complex array of creative forces involved in producing opera
- Collaborations that precipitate new creative opportunities

The greatest challenge over the coming years is to build income levels to enable Opera Queensland to capitalise on opportunities to create works and events that nurture a Queensland voice, engaging audiences locally, nationally and internationally.

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 2022 were:

- Presentation of three mainstage productions at Queensland Performing Arts Centre (QPAC):
 - *The Sopranos*, a new production by writer Sarah Holland-Batt, which celebrated the bold and rebellious roles women have played throughout the history of opera
 - Verdi's *La traviata*, a new co-production between Opera Queensland, State Opera South Australia and West Australian Opera
 - World premiere of *The Call* by Brisbane composer Connor D'Netto featured in a double bill with a new production of *La voix humaine*
- A tour of the new Opera Queensland production, *The Sopranos*, presented in Bundaberg, Gladstone, Rockhampton, Winton, Longreach, Barcaldine, Blackall, Charleville, Roma, Cairns and Brisbane.
- The second year of the Festival of Outback Opera, in Winton, Longreach, Barcaldine, Blackall, Tambo and Windorah.
- The presentation of 9 recitals in the Opera Queensland studio:
 - Rosario La Spina & John Woods – Romantic Heroes
 - Cheryl Barker & Peter Coleman-Wright – A Life Together in Song
 - Kang Wang & John Woods – La Serenata
 - Jess Hitchcock & Trevor Jones – Songs That Made Me
 - Jessica Aszodi & Alex Raineri – My Favourite Things
 - Rebecca Cassidy & Alex Raineri – Homegrown
 - Mariana Hong & Siro Battaglin – L'invitation au Voyage
 - Marcus Corowa & Michael Manikus – Some Kind of Wonderful
 - Warwick Fyfe & Alex Raineri – A Man of Parts
- Composed in Queensland program, working with schools around Mount Isa, Camooweal, Charleville, Cunnamulla and Quilpie, creating songs born of images the children share about living in these remote places.
- The launch of Home Grown Opera, a new initiative inviting communities to collaborate with professional artists on the development of operas inspired by local stories.
- 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.
- Ten community events of *Sing Sing Sing* at Emporium Hotel South Bank.
- Regional performances, including Muttaborra Stock Show.
- Opera Queensland's 2022 Young Artists – three singers, Amber Evans, Eleanor Greenwood and Sebastian Maclaine were joined by composer John Rotar. These artists were provided with extraordinary opportunities to challenge and extend themselves, receiving specialised tuition, participating in performances on our mainstage, touring with our regional program, and in John's case, writing several new works for voice.
- 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* with First Nations artists from Torres Strait, *The Sopranos* a new commission from writer Sarah Holland-Batt, *The Call* with Connor D'Netto 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 deficit of (\$281,587) (2021 surplus: \$1,002,918).

The difference in income and expenditure between 2022 and 2021 reflects the increase in performance activity since the COVID-19 public health emergency restrictions to public gatherings.

The Company received no COVID-19 related benefits in the form of JobKeeper Payments during the year (2021: \$135,200).

A four-year summary of results is presented below.

Financial Performance	2022	2021	2020	2019
	\$	\$	\$	\$
OPERATING REVENUE				
Event Income	1,612,336	1,415,857	139,927	1,530,660
Sponsorships & Donations	1,876,535	1,236,631	848,212	1,044,016
Grant Income	4,347,595	4,815,247	4,655,791	4,475,025
Other Income	531,187	465,847	121,236	209,167
Total operating income	8,367,654	7,933,582	5,765,166	7,258,868
OPERATING EXPENSES				
Production & Touring Costs	5,295,876	4,458,509	2,063,364	4,475,471
Community Programs & Education	471,285	312,309	87,781	193,072
Marketing & Business Development	1,488,690	1,385,589	1,036,429	1,136,271
Infrastructure and Administration	1,227,358	1,324,069	1,376,303	1,180,723
Total operating expenses	8,483,210	7,480,476	4,563,877	6,985,537
Net Result from Operating Activities¹	(115,556)	453,106	1,201,289	273,331
Bequests & Endowments	317	550	1,716,493	824,018
Fair value adjustment (endowment)	(166,348)	449,262	193,287	-
Reserves Matched Funding	-	100,000	200,000	200,000
Total Income from Restricted Items²	(166,031)	549,812	2,109,780	1,024,018
COMPREHENSIVE RESULT	(281,587)	1,002,918	3,311,069	1,297,349

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 three strategic actions and five core goals listed below, as articulated in the *Strategic Plan 2023-2024* written alert to the impacts of COVID-19. Performance measures and benchmarks are reviewed, and new measures set on an annual basis.

Develop – establish opportunities for the creation of new work across all areas of practice.

- Develop and produce works by First Nations artists
- Create pathways for artists and arts workers

Connect – build relationships with artists, audiences, companies, and sponsors that look to strengthen the company and the sector for the long term.

- Nurture and grow audiences
- Celebrate diversity to build strong, vibrant communities
- Build audiences via digital platforms

Produce – present diverse repertoire of works drawn from the canon and new commissions.

- Lead change in opera
- Ensure 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 2022 is \$550 (2021: \$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 2022.

Signed in accordance with a resolution of the Directors:



Linda Apelt
Chair

Brisbane, 26 April 2023

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 2022 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, 26 April 2023



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 2022 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


Jillian Richards
Partner

Brisbane
26 April 2023

OPERA QUEENSLAND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
		\$	\$
REVENUE FROM OPERATIONS	Notes		
Event Income	8	1,612,336	1,415,857
Sponsorships & Donations	9	1,876,852	1,237,182
Other Income		458,374	445,178
Net gain/(loss) on financial assets	10	(166,348)	449,262
Grant Income			
Queensland government			
Operational grant		2,811,202	3,486,201
Project funding		650,000	255,500
Other grants		100,000	100,000
Opera Conference funding	6	-	29,258
Federal government			
Operational grant		708,336	638,981
Project funding		18,293	17,467
Other - JobKeeper & ATO cash boost		-	135,200
Opera Conference funding	6	-	122,640
Local government		59,764	30,000
TOTAL REVENUE FROM OPERATIONS		8,128,810	8,362,726
Financial income (interest received)		72,813	20,669
Revenue from non-operating activities	21	-	100,000
TOTAL REVENUE AND OTHER INCOME		8,201,623	8,483,395
EXPENDITURE			
Production & Touring	11	5,295,876	4,458,509
Community Programs & Education		471,285	312,309
Marketing & Business Development		1,488,690	1,385,589
Infrastructure & Administration		1,227,358	1,324,069
TOTAL EXPENDITURE	12	8,483,210	7,480,476
Net surplus / (deficit)		(281,587)	1,002,918
Other comprehensive income attributable to members of the company		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(281,587)	1,002,918

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 2022

		Subordinated Loan	Donation and Endowment Reserve	Restricted Reserve	Accumulated Surplus	Total Accumulated Funds
		\$	\$	\$	\$	\$
Balance at 1 January 2021		200,000	2,733,798	800,000	1,534,543	5,268,341
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		-	550	-	-	550
Other comprehensive income		-	-	-	-	-
Balance at 31 December 2021		200,000	3,183,611	1,000,000	1,887,649	6,271,260
Surplus / (deficit) for the year	i	-	(166,348)	-	(115,556)	(281,904)
Transfer from reserves	ii	-	-	(1,000,000)	1,000,000	-
Bequests and endowment funds received	iii	-	317	-	-	317
Other comprehensive income		-	-	-	-	-
Balance at 31 December 2022		200,000	3,017,580	-	2,772,093	5,989,673

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 (\$166,348) was recorded as a net loss on financial assets (shares). This relates to investments held for restricted endowed funds.
- ii During the year \$1,000,000 was transferred from the Restricted Reserve to Accumulated Surplus as the conditions of the Reserves Incentive Matched Funding Scheme Agreement have been completed. Refer to Note 21.
- iii During the year \$317 was transferred from the current year surplus to the Donation and Endowment Reserve (2021: \$550). 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 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	13	3,696,657	3,396,366
Trade receivables and other assets	14	187,526	258,497
Total Current Assets		<u>3,884,183</u>	<u>3,654,862</u>
NON-CURRENT ASSETS			
Property, plant and equipment	15	828,637	914,079
Other investments	16	2,006,226	3,087,477
Total Non-Current Assets		<u>2,834,863</u>	<u>4,001,556</u>
TOTAL ASSETS		<u>6,719,046</u>	<u>7,656,418</u>
CURRENT LIABILITIES			
Trade and other payables	17	143,956	431,534
Employee benefits	18	153,012	155,609
Lease liabilities		64,714	62,785
Other	19	228,339	509,867
Total Current Liabilities		<u>590,021</u>	<u>1,159,796</u>
NON-CURRENT LIABILITIES			
Employee benefits	18	36,152	57,448
Lease liabilities		103,200	167,914
Total Current Liabilities		<u>139,352</u>	<u>225,362</u>
TOTAL LIABILITIES		<u>729,373</u>	<u>1,385,158</u>
NET ASSETS		<u>5,989,673</u>	<u>6,271,260</u>
<i>Represented by:</i>			
ACCUMULATED FUNDS			
Subordinated loan	20	200,000	200,000
Donation and Endowment Reserve	9	3,017,580	3,183,611
Restricted Reserve	21	-	1,000,000
Accumulated surplus		2,772,093	1,887,649
TOTAL ACCUMULATED FUNDS		<u>5,989,673</u>	<u>6,271,260</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 2022

	Notes	2022	2021
		\$	\$
Cash flow from operating activities			
Cash receipts from customers and grantors		7,796,900	7,828,444
Cash paid to suppliers and employees		(8,425,299)	(7,036,554)
Interest Received		20,997	5,653
Net cash (used in) / from operating activities	23	<u>(607,402)</u>	<u>797,543</u>
 Cash flow from investing activities			
Contributions (to) / from Reserve Incentive Scheme		900,000	(300,000)
Interest and dividends received		86,197	62,483
Acquisition of plant and equipment		(15,718)	-
Net cash (from) / used in investing activities		<u>970,479</u>	<u>(237,517)</u>
 Cash flow from financing activities			
Payment of lease liabilities		(62,785)	(58,170)
Net cash used in financing activities		<u>(62,785)</u>	<u>(58,170)</u>
 Net increase in cash and cash equivalents		 300,291	 501,856
 Cash and cash equivalents at 1st January		 3,396,366	 2,894,510
 Cash and cash equivalents at 31st December	13	 <u>3,696,657</u>	 <u>3,396,366</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 2022**

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 26 April 2023.

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’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 terms of the Tri-partite Funding Agreement are set out in Note 27.

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 2022**

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 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
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

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 2022**

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 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 Tri-Partite Funding Agreement. In 2022, 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).

Other special purpose 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 2022 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 2022**

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 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 2022**

(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 2022**

(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 2022**

(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 2023 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
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AAASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-5 Amendments to Australian Accounting standards – Lease Liability in a Sale and Leaseback

(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 2022**

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 2022 to Opera Conference was \$0 (2021: \$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	
	2022	2021
Life Membership	7	7
Ordinary Membership	11	13
	<hr/>	<hr/>
	18	20

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 2022**

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 2022, no tranche payments were made, with the Funding Bodies approving that the funds be used by each company to assist financially through the COVID-19 pandemic.

	2022	2021
	\$	\$
Annual funding amount contributed to Opera Conference by Opera Queensland from:		
State Government funding	-	29,258
Federal Government funding	-	122,640
	-	151,898
	-	151,898

7. Auditors' Remuneration

Audit services provided by KPMG on an honorary basis and receive Corporate Partner status	-	23,000
Audit services – cash	25,000	12,000
	25,000	35,000
	25,000	35,000

8. Event Income

Differences in event income between 2022 and 2021 are largely due to the increased performance activity.

9. Sponsorships & Donations

Sponsorships - cash	394,545	329,000
Sponsorships – in kind	272,000	247,320
Philanthropic Trusts and Foundations	300,000	270,000
Bequests	317	550
General Donations	909,990	390,311
	1,876,852	1,237,182
	1,876,852	1,237,182

The Company received bequest funds of \$317 during the year (2021: \$550). 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 2022 was \$3,017,580 (\$2,541,379 corpus plus \$476,201 fair value adjustment on shares) (2021: \$3,183,611 (\$2,541,062 corpus plus \$642,549 fair value adjustment on shares)).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
10. Net gain/(loss) on financial assets		
	(166,348)	\$449,262
Net gain/(loss) on financial assets represents the fair value adjustment on shares held for bequest investments.		
11. Production & Touring		
As noted within the Directors' Report, differences in expenditure between 2022 and 2021 reflect the increase of performance activity after the COVID-19 pandemic.		
12. Employee expenses included within total expenditure		
Productions & touring	3,060,330	2,428,810
Community programs & education	265,486	211,255
Marketing & business development	670,162	642,982
Infrastructure & administration	602,792	633,838
	<u>4,598,769</u>	<u>3,916,885</u>
13. Cash and cash equivalents		
Cash balances	500	500
Bank balances	198,917	898,188
Short-term deposits	3,497,240	2,497,678
	<u>3,696,657</u>	<u>3,396,366</u>
14. Trade receivables and other assets		
Trade receivables	105,645	180,394
Prepayments	81,881	78,103
	<u>187,526</u>	<u>258,497</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
15. Property, plant & equipment		
Lease premium and leasehold improvements at deemed cost	797,102	797,102
Accumulated amortisation	<u>(212,483)</u>	<u>(204,597)</u>
	584,619	592,505
<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	574,922	560,157
Accumulated depreciation	<u>(482,458)</u>	<u>(454,871)</u>
	92,464	105,286
Right-of-use assets – photocopiers & storage	354,608	354,608
Accumulated depreciation	<u>(203,055)</u>	<u>(138,320)</u>
	<u>151,553</u>	<u>216,288</u>
Net book value property, leases, plant and equipment.	<u>828,637</u>	<u>914,079</u>

At 31 December 2022, \$440,395 of assets has been fully written down (2021: \$435,775).

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	592,505	600,390
Amortisation charge for the year	<u>(7,885)</u>	<u>(7,885)</u>
Carrying amount at the end of the year	<u>584,619</u>	<u>592,505</u>

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

	2022	2021
	\$	\$
<i>Plant and equipment</i>		
Carrying amount at the beginning of the year	105,286	131,910
Acquisitions during the year	15,718	-
Disposals during the year	-	-
Depreciation charge for the year	(28,540)	(26,624)
Carrying amount at the end of the year	92,464	105,286
 <i>Right-of-use assets</i>		
Carrying amount at the beginning of the year	216,288	281,023
Acquisitions during the year	-	-
Depreciation charge for the year	(64,735)	(64,735)
Carrying amount at the end of the year	151,553	216,288

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	-	900,000
Bequest shares – at cost	1,530,025	1,544,928
Bequest shares – revaluation	476,201	642,549
Bequest shares – at fair value	2,006,226	2,187,477
	2,006,226	3,087,477

The funds previously held on term deposit were in relation to the Reserves Incentive Matched Funding Scheme Agreement (refer Note 21). These funds were held in quarantine during the period of the agreement which has now ended.

17. Trade and other payables

Trade payables	34,663	91,031
Other payables and accrued expenses	109,293	340,503
	143,956	431,534

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
18. Employee benefits		
Current		
<i>Liability for long service leave</i>		
Carrying amount at the beginning of the year	44,293	40,473
Leave accrued/(expensed) during the year	21,361	3,820
Carrying amount at the end of the year	65,655	44,293
 <i>Liability for annual leave and TOIL</i>		
Carrying amount at the beginning of the year	111,316	82,721
Leave accrued/(expensed) during the year	(23,958)	28,595
Carrying amount at the end of the year	87,358	111,316
<i>Total Current Employee Benefits</i>	153,012	155,609
 Non-Current		
<i>Liability for long service leave</i>		
Carrying amount at the beginning of the year	57,448	44,671
Leave accrued/(expensed) during the year	(21,296)	12,777
Carrying amount at the end of the year	36,152	57,448
<i>Total Non-Current Employee Benefits</i>	36,152	57,448
 19. Other Liabilities		
Current		
Other income received in advance	114,169	430,078
Deferred revenue – Bequest (dividends and interest earned)	114,170	79,789
	228,339	509,867

There was no revenue received in advance in 2022 for 2023 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 2022**

	2022	2021
	\$	\$
20. 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.

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 2022, unrestricted Reserves are above the required level of 20%.

The Company accessed additional contributions to build reserves from the Australia Council under the *2019-2021 Reserves Incentive Matched Funding Scheme Agreement*. Funds were held in quarantine during the period of the agreement. On 5 October, 2022 the Company was advised by the Australia Council that the terms of the agreement had been fulfilled and that quarantined funds could be released into general reserves. The \$1,000,000 held in restricted reserves within equity as at 31 December 2021 was transferred to accumulated surplus in 2022.

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

Payable within one year		
Artists' fees	388,500	391,500
Venue hire & production	177,274	405,885
Other	-	-
	565,774	797,385
Payable within 2 – 5 years		
Other	-	-
	565,774	797,385

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
23. Reconciliation of cash flows from operating activities		
<i>Cash flows from operating activities</i>		
Net (deficit) / surplus for the year	(281,587)	1,002,918
Bequest financial assets	181,251	(449,262)
Investment income	(86,197)	(62,483)
Disposal of fixed asset	-	-
Lease payments	62,785	58,170
Depreciation	28,540	26,624
Amortisation	7,885	7,885
<i>Operating profit before changes in working capital and provisions</i>	(87,323)	583,853
<i>Changes in:</i>		
Trade receivables & other assets	70,971	40,364
Other non-current assets	64,735	64,735
Trade & other payables	(287,578)	171,079
Employee benefits	(23,893)	45,193
Lease liabilities	(62,785)	(58,170)
Provisions	-	(119,000)
Other current liabilities	(281,528)	69,490
<i>Net cash from / (used in) operating activities</i>	(607,402)	797,543

24. Financing Arrangements

The Company has an undrawn 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. Refer Note 16.

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 2022**

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	2022 \$ 6 Months or less	2021 \$ 6 Months or less
Financial Assets			
Cash and cash equivalents:	13		
<i>floating interest rate - 1.25% (2021: 0.01%)</i>		76,572	867,199
<i>non-interest bearing</i>		122,845	31,489
Term deposits		3,497,240	2,497,678
Trade receivables:			
<i>non-interest bearing</i>	14	105,645	180,394
		3,802,302	3,576,759

26. Related party disclosures

The following were key management personnel during the year:

Directors

Ms Linda Apelt (*appointed 31 January 2022*)

Ms Anne Cross

Mr David Gow

Mr Will Fellowes

Ms Judith Mather

Ms Katie McNamara

Ms Jody Currie

Executives

Mr Patrick Nolan

Ms Christine McEwan

Mr Adam Tucker

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 2022**

Key Management Personnel provided donations to the Company during the year of \$70,727 (2021: \$76,453).

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

	2022	2021
	\$	\$
Short term employee benefits	506,023	450,206
Long term employee benefits	7,629	6,000
Post-employment benefits	48,186	40,849
	561,838	497,056

27. 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 2022 was received subject to the conditions of 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 2023, excluding indexation is:

	\$
Australia Council	708,336
Arts Queensland	<u>2,811,202</u>
	<u>3,519,538</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:

- i. giving a true and fair view of the Company's financial position as at 31 December 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2022;
- ii. Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies; and
- iv. 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 these requirements.

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. 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 2022.



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:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC;
- ii. 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; and
- iii. 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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:

- i. 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.



- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. 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.
- v. 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.

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

KPMG

A handwritten signature in cursive script that reads 'Jillian Richards'.

Jillian Richards
Partner

Brisbane
26 April 2023