

The Queensland Music Festival Pty Ltd

ABN 67 084 526 876

Financial Report 31 December 2021

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

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The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Directors' Report

Your directors present their report on The Queensland Music Festival Pty Ltd ("the Company" or "QMF") for the financial year ended 31 December 2021.

Directors

The names of each person who has been a director during the financial year are:

Alison Mobbs (Chairperson)
Diat Alferink
Darren Busine
Anne-Maree Willett (appointed on 30th June 2021)
Pasul Lindstrom (appointed on 30th June 2021)
Dominic McGann (resigned on 31st October 2021)
Jane Williams (resigned on 7th January 2022)
Prof Margaret Barrett (resigned on 1st June 2021)
Terence Willsteed (resigned on 1st March 2021)

Directors have been in office since 1 January 2021 to the date of this report unless otherwise stated.

Principal activity

The principal activity of the company during the financial year was providing the State of Queensland with a biennial festival of music of international excellence, accessible to Queenslanders from all walks of life.

Review of operations

The surplus of the company for the year amounted to \$197,664 (2020: surplus of \$456,355).

The delay to the 2021 festival programming due to COVID-19 has led to an extension of the delivery period into 2022 and therefore grant income has been carried forward for this purpose.

Income from a variety of sources is received throughout the two year period while the majority of the expenditure is incurred on the Festival, which takes place in July, biennially. This causes the company to report large profits and losses in alternate years. 2021 was a festival year, and the next Festival will be held in 2023.

No significant change in the nature of these activities occurred during the year.

COVID-19 Pandemic Impact

The impact of the Covid-19 pandemic required QMF to review festival programs given changes to government restrictions, ensuring current and future agreements and their funding obligations are reasonable and achievable.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

The Queensland Music Festival Pty Ltd
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Directors' Report (Continued)

Identification of Officers

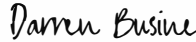
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.


The company was not a party to any such proceedings during the period.

Signed in accordance with a resolution of the Board of Directors.

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Darren Busine
Director
20 April 2022
Brisbane, Queensland

04/20/22 | 10:58 AM AEST

DocuSigned by:

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Paul Lindstrom
Director
21 April 2022
Brisbane, Queensland

04/21/22 | 11:57 AM AEST

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Income from continuing operations			
Funding revenue		3,429,140	1,621,327
Special and regional projects		272,353	465,782
Sponsorships and donations		1,706,056	131,546
Box Office		158,737	-
Other revenue		35,947	205,123
Total Income from continuing operations	3	5,602,233	2,423,778
Expenses from continuing operations			
Artistic production		1,937,276	74,920
Marketing and business development		1,812,685	79,390
Festival team		1,108,528	1,096,860
Travel and accommodation		20,575	6,790
Other goods and services		73,197	48,119
Premises and office facilities		78,726	73,571
Depreciation and amortisation		173,502	158,910
Special Projects		274,853	465,782
Total expenses from continuing operations	4	5,479,342	2,004,342
Surplus for the year		122,891	419,436
<i>Other comprehensive income</i>			
Net gain/(loss) on lease re-measurement	2r	74,773	36,919
Total other comprehensive income		74,773	36,919
Total comprehensive income for the year		197,664	456,355

The accompanying notes form part of these Financial Statements.

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Statement of Financial Position
as at 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,503,152	2,443,876
Trade and other receivables	6	64,450	244,756
Other assets	7	233,811	43,104
TOTAL CURRENT ASSETS		2,801,413	2,731,736
NON-CURRENT ASSETS			
Plant and equipment	8	96,216	146,888
Intangible assets	9	126,181	23,950
Right-of-use assets	10	734,210	413,230
TOTAL NON-CURRENT ASSETS		956,607	584,068
TOTAL ASSETS		3,758,020	3,315,804
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	159,062	189,098
Lease liabilities	12	71,565	88,822
Provisions	13	98,175	96,659
Contract liabilities	14	1,197,312	1,177,870
TOTAL CURRENT LIABILITIES		1,526,114	1,552,449
NON-CURRENT LIABILITIES			
Lease liabilities	12	673,189	408,948
Provisions	13	13,201	6,555
TOTAL NON-CURRENT LIABILITIES		686,390	415,503
TOTAL LIABILITIES		2,212,504	1,967,952
NET ASSETS		1,545,516	1,347,852
EQUITY			
Issued and paid up share capital		2	2
Retained surpluses		1,545,514	1,347,850
TOTAL EQUITY		1,545,516	1,347,852

The accompanying notes form part of these Financial Statements.

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Statement of Changes in Equity
For the year ended 31 December 2021

	Issued and Paid Up Share Capital	Retained Surpluses	Total
	\$	\$	\$
Balance at 1 January 2020	2	891,495	891,497
Surplus for the year	-	419,436	419,436
Other comprehensive income for the year	-	36,919	36,919
Total other comprehensive income	-	456,355	456,355
Balance at 31 December 2020	2	1,347,850	1,347,852
Balance at 1 January 2021	2	1,347,850	1,347,852
Surplus for the year	-	122,891	122,891
Other comprehensive income for the year	-	74,773	74,773
Total other comprehensive income	-	197,664	197,664
Balance at 31 December 2021	2	1,545,514	1,545,516

The accompanying notes form part of these Financial Statements.

The Queensland Music Festival Pty Ltd
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Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts of funds, grants, sponsorship & other		4,962,745	2,498,113
Payments to suppliers and employees		(4,624,950)	(1,776,597)
Interest received		5,007	7,911
Net cash generated from operating activities		<u>342,802</u>	<u>729,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for festival equipment		(17,459)	(39,148)
Payment for website development		(145,594)	(23,950)
Net cash used in financing activities		<u>(163,053)</u>	<u>(63,098)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities		(120,473)	(23,992)
Net cash used in investing activities		<u>(120,473)</u>	<u>(23,992)</u>
Net increase / (decrease) in cash held		59,276	642,337
Cash and cash equivalents at beginning of the financial year		2,443,876	1,801,539
Cash and cash equivalents at end of the financial year	5	<u><u>2,503,152</u></u>	<u><u>2,443,876</u></u>

The accompanying notes form part of these Financial Statements.

The Queensland Music Festival Pty Ltd

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Notes to the Financial Statements

For the year ended 31 December 2021

Note 1: Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, as appropriate for not-for-profit oriented entities.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors at the date of signing of the Directors' Declaration.

Note 2: Summary of Significant Accounting Policies

a. Overall Consideration

The Queensland Music Festival Pty Ltd is a wholly owned subsidiary company of the Queensland State Government. It was established as a non-profit proprietary company and the object of the company is "to produce and promote a biennial festival of music of international excellence, accessible to Queenslanders from all walks of life".

As such, it is a not-for-profit entity for the purpose of preparing the financial statements. The financial statements include all assets, liabilities, equities, revenues and expenses of The Queensland Music Festival Pty Ltd. The company does not control any other entities. All transactions relate to the management and production of the music festival alone.

b. Public Fund

The Queensland Music Festival Fund is a tax deductible gift recipient listed on the Register of Cultural Organisations under Subdivision 30-B of the *Income Tax Assessment Act 1997*. It is registered with the Australian Charities and Not-for-profits Commission. The company is also exempt from tax as a charitable entity under subdivision 50-5 of the *Income Tax Assessment Act 1997*.

c. Festival Grants and Other Contributions

Festival grants and other contributions are recognised revenue in accordance with requirements under the prevailing Accounting Standards AASB 15: *Revenue from Customers* and AASB 1058: *Income of Not-for-Profits*. Namely that revenue is recorded as income as and when any recognised performance obligation under contract is satisfied. Revenue received but recognised as income is held as Contract Liability.

Grants, contributions and donations revenue arise from non-exchange transactions where the company does not directly give approximately equal value to the grantor.

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

Note 2: Summary of Significant Accounting Policies (Continued)

c. Festival Grants and Other Contributions (Continued)

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the company. The company does not receive special purpose capital grants.

All festival grants and other contributions revenues are stated net of the amount of goods and services tax (GST).

d. In Kind Revenue and Expenses

In kind contributions of goods and services are recorded at fair market value as sponsorship revenue and within the relevant expenditure category.

e. Interest Revenues

Interest revenues are recognised as they are received.

f. Sponsorship and Box Office

Sponsorship and box office revenues are recognised in the year the event occurs.

g. Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with determinable payments that are not quoted in an active market and are subsequently measured at cost. The balance is recognised as a current asset with the amounts for trade receivables normally paid within 30 days of recognition of the asset.

h. Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j)) for details of impairment).

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

The Queensland Music Festival Pty Ltd

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Notes to the Financial Statements

For the year ended 31 December 2021

Note 2: Summary of Significant Accounting Policies (Continued)

h. Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the asset's useful life to the company commencing from beginning of year of purchase. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful life used for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Plant and equipment	2.5 - 8.0 years
Intangibles	2.5 - 3.0 years

An asset is recognised where relevant amounts exceed \$1,000 or where expenditure relates to an improvement, initial repair or cost to bring into use of existing plant and equipment. The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

i. Leases

A lease liability is recognised at the commencement date of the lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable for a similar borrowing arrangement. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they occur.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to statement of comprehensive income if the carrying amount of the right-of-use asset is fully written down.

j. Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its physical and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in statement of comprehensive income.

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Notes to the Financial Statements
For the year ended 31 December 2021

Note 2: Summary of Significant Accounting Policies (Continued)

k. Employee Benefits

Short term employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee annual leave benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Other long-term employee benefits

Provision is made for employee's long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Recognition of the provision commences upon completion of 5 years of continuous service, with the balance proportioned and recorded over a 30-month period thereafter. The result will be that once employees reach 7.5 years of service and eligible for payout on termination, the full 7.5 year balance will have been accrued. Other long-term employee benefits are presented as current liabilities where the company does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

Defined contribution superannuation expense

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

Note 2: Summary of Significant Accounting Policies (Continued)

o. Intangibles

Relevant amounts exceeding \$1,000 are recognised as intangibles as required. Costs incurred in developing website facilities that will contribute future financial benefits through revenue generation and/or cost reduction are capitalised. Amortisation is calculated using the straight-line method to allocate costs over a useful life period of 3 years.

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the company determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

p. Comparative Figures

Comparative figures and information reflect the audited 2020 financial statements.

q. New and Revised Accounting Standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

r. Net Gain or Loss on Lease Re-measurement

QMF has executed a new lease with the State of Queensland on 23 April 2021 for 5 years from 2 March 2021 with an option to renew for another 5 years. The new lease has been accounted for as a separate lease under AASB 16.

The carrying amounts of the ROU asset and lease liability under old lease have been written off when the lease ended on 1 March 2021. This has resulted in a gain of \$74,773 recognised in other comprehensive income for the year.

s. Economic Dependence

The Queensland Music Festival Pty Ltd is dependent on funding from Arts Queensland, one of the services provided by the Department of Community, Housing and Digital Economy. This funding supports the basic wage, administration and accommodation costs of the organisation. At the date of this report, a funding agreement has been provided by the Department vis Arts Queensland to support The Queensland Music Festival Pty Ltd.

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

Note 2: Summary of Significant Accounting Policies (Continued)

t. Critical Accounting Estimates, Judgements and Assumptions

The most significant estimates and assumptions made in the preparation of the financial statements related to the useful life and depreciation of Plant and Equipment; Employee Benefit, the fair value and amortisation of Right of Use assets and associated lease liabilities; and the amortisation of Intangibles. The accounting policies used for are detailed in notes (h), (k), (i) and (o) respectively.

The estimate of employee benefits; valuation of plant and equipment; and recoverability of intangibles necessarily involves estimation uncertainty with the potential to material impact on the carrying amounts of such assets and liabilities in the next reporting period

Coronavirus (COVID-19) pandemic

The COVID-19 pandemic developed rapidly in 2020 and into 2021, with a significant number of cases. Measures taken by various governments to contain the virus have affected global economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff as well as steps to ensure the ongoing activities of the Festival are disrupted as minimally as is feasible.

At this stage, various steps have been taken to maintain communication with stakeholders to ensure funding obligations are met, or where appropriate are varied to ensure an equitable result. The form and structure of projects and events have similarly been reviewed to ensure any additional disruptions to economic and cultural activities are mitigated as best can be projected.

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Note 3: Revenue			
<i>Revenue from contracts with customers</i>			
Funding revenue	(a)	3,429,140	1,621,327
Special and regional projects	(b)	272,353	465,782
Total revenue from contracts with customers		<u>3,701,493</u>	<u>2,087,109</u>
<i>Sponsorships and donations</i>			
Sponsorships		1,546,805	111,373
Donations		159,251	20,173
		<u>1,706,056</u>	<u>131,546</u>
<i>Box Office</i>			
Income from Box Office		158,737	-
<i>Other revenue</i>			
Interest income		5,007	7,911
Sundry income		30,940	97,212
Government incentive - cash flow boost		-	100,000
Total other revenue		<u>35,947</u>	<u>205,123</u>
TOTAL REVENUE		<u><u>5,602,234</u></u>	<u><u>2,423,778</u></u>
(a): Funding revenue			
Festival Funding from Arts Queensland		1,600,000	1,600,000
Federal Government Grants		1,024,801	-
Queensland Government Grants		270,000	20,127
Local Government Partnerships		534,339	1,200
		<u>3,429,140</u>	<u>1,621,327</u>

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

Note	2021 \$	2020 \$
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Note 3(a) Funding Revenue (Continued)

Disclosure - revenue from contracts with customers

Information regarding the nature, timing and satisfaction of performance obligations and revenue recognition of significant grants and contributions that are contracts with customers:

Source and type of funding	Nature and timing of performance obligations	Revenue recognition policies
Arts Queensland festival funding	- QMF's obligation under the agreement is to deliver a biennial festival of music. The funds are to be used toward the operational and program costs associated with presenting the festival.	The funding is received by way of period instalment with \$1.6 million allocated as revenue over the period of each year. The contract liability recognised at balance date relates to the balance of payments received to be recognised as income over the next 12 months.

(b): Special and regional Projects

Statewide Coordination Office & North Queensland Regional Funding	272,353	465,782
	272,353	465,782

Disclosure - revenue from contracts with customers

Information regarding the nature, timing and satisfaction of performance obligations and revenue recognition of significant grants and contributions that are contracts with customers:

Source and type of funding	Nature and timing of performance obligations	Revenue recognition policies
Arts Queensland - SCO & NQ regional funding	QMF's obligation is to deliver a suite of services across regional service delivery area by delivering a variety of initiatives focusing on empowering regions in determining arts and cultural priorities, as well as facilitating programs that enhance local and visitor engagement with arts and cultural offerings. Key performance indicators and baseline level of services and periodically assessed as a requirement for funding continuation under the agreement.	Revenue is recognised in line with expenditure incurred toward the performance obligations of the agreement with the balance of any funding instalments received recognised as a contract liability to be recognised as income over the next 12 months

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Note 4: Surplus for the year			
The Queensland Music Festival Pty Ltd's operating surplus from continuing operations was earned after charging the following expenses:			
Expenses			
2020 Festival Expenditure - Development Year		-	2,004,342
2021 Festival Expenditure - Presentation Year		<u>5,479,342</u>	<u>-</u>
Expenditure on -			
Programming	(a)	3,749,961	154,310
Festival team	(b)	1,108,528	1,096,860
Other	(c)	346,000	287,390
Special projects	(d)	274,853	465,782
Total festival expenditure		<u>5,479,342</u>	<u>2,004,342</u>
(a) Programming			
Artistic production		1,937,276	74,920
Marketing and Business Development		1,812,685	79,390
Total Programming Expenditure		<u>3,749,961</u>	<u>154,310</u>
(b) Festival Team			
Festival team wages		953,490	856,613
Festival team superannuation		91,872	81,075
Contractors		-	55,000
Financial services		16,700	15,587
Others		46,466	88,585
Total Festival Team Expenditure		<u>1,108,528</u>	<u>1,096,860</u>
(c) Other			
Travel and accommodation		20,575	6,790
Corporate and administration		61,028	48,439
Premises and office facilities		78,726	73,571
Depreciation/amortisation		173,502	158,910
Festival operations		9,130	(386)
Board expenses - Travel & other services		3,039	66
Total other Expenses		<u>346,001</u>	<u>287,390</u>
Audit remuneration:			
— audit services		7,250	7,250
Total audit remuneration		<u>7,250</u>	<u>7,250</u>
Total audit fees quoted by the Queensland Audit Office relating to the 2021 financial statements are \$7,250 (2020: \$7,250).			
(d) Special Projects			
SCO & NQ Regional Funding		274,853	465,782
Total special projects		<u>274,853</u>	<u>465,782</u>

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Note 5: Cash and Cash Equivalents			
CURRENT			
Cash at bank		2,501,495	2,441,554
Cash on hand		1,657	2,322
Total cash and cash equivalents		<u>2,503,152</u>	<u>2,443,876</u>
Note 6: Trade and other receivables			
CURRENT			
Trade & other receivables		27,951	244,756
Accrued Income		36,499	-
Total current accounts receivable and other debtors		<u>64,450</u>	<u>244,756</u>
Note 7: Other Assets			
CURRENT			
Prepayments		233,811	43,104
		<u>233,811</u>	<u>43,104</u>
Note 8: Plant and Equipment			
PLANT AND EQUIPMENT			
Leasehold improvements - at cost		302,663	302,663
Less accumulated depreciation		(253,826)	(213,744)
Festival equipment - at cost		311,420	293,963
Less accumulated depreciation		(264,041)	(235,994)
Total plant and equipment		<u>96,216</u>	<u>146,888</u>

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Notes to the Financial Statements
For the year ended 31 December 2021

Note 8: Plant and Equipment (continued)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Leasehold Improvements \$	Festival Equipment \$	Total \$
2020			
Balance at the beginning of the year	129,002	54,781	183,783
Additions at cost	-	39,148	39,148
Disposals	-	-	-
Depreciation expense	(40,083)	(35,960)	(76,043)
Carrying amount at the end of the year	<u>88,919</u>	<u>57,969</u>	<u>146,888</u>
2021			
Balance at the beginning of the year	88,919	57,969	146,888
Additions at cost	-	17,459	17,459
Disposals	-	-	-
Depreciation expense	(40,083)	(28,048)	(68,131)
Carrying amount at the end of the year	<u>48,836</u>	<u>47,380</u>	<u>96,216</u>

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Notes to the Financial Statements
For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 9: Intangible Assets		
Website development - at cost	257,172	111,578
Less accumulated amortisation	(130,991)	(87,628)
Net carrying amount	<u>126,181</u>	<u>23,950</u>

Movements in Carrying Amounts

Movement in the carrying amounts for the intangible asset between the beginning and the end of the current financial year:

	Website development \$
2020	
Balance at the beginning of the year	-
Additions at cost	23,950
Disposals	-
Amortisation expense	-
Carrying amount at the end of the year	<u>23,950</u>
2021	
Balance at the beginning of the year	23,950
Additions at cost	145,594
Disposals	-
Amortisation expense	(43,363)
Carrying amount at the end of the year	<u>126,181</u>

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Notes to the Financial Statements
For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 10: Right-of-use assets		
Land and buildings - Right-of-use	1,145,696	748,390
Less: Accumulated depreciation	(431,673)	(361,722)
	<u>714,023</u>	<u>386,668</u>
Plant and equipment - Right-of-use	31,874	31,874
Less: Accumulated depreciation	(11,687)	(5,312)
	<u>20,187</u>	<u>26,562</u>
Total Right-of-use assets	<u>734,210</u>	<u>413,230</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each right-of-use asset class between the beginning and the end of the current financial year:

	Land & Buildings \$	Plant and Equipment \$	Total \$
2020			
Balance at the beginning of the year	499,351	4,240	503,591
Additions at cost	-	31,874	31,874
Loss on re-measurement	(36,919)	-	(36,919)
Disposals	-	(44)	(44)
Depreciation expense	(75,764)	(9,508)	(85,272)
Carrying amount at the end of the year	<u>386,668</u>	<u>26,562</u>	<u>413,230</u>
2021			
Balance at the beginning of the year	386,668	26,562	413,230
Lease modification	397,306	-	397,306
Disposals	-	-	-
Depreciation expense	(69,951)	(6,375)	(76,326)
Carrying amount at the end of the year	<u>714,023</u>	<u>20,187</u>	<u>734,210</u>

The Queensland Music Festival Pty Ltd
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Notes to the Financial Statements
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Note 11: Trade and other payables			
CURRENT			
Trade payables and accruals		82,404	76,875
GST Payable		76,658	112,223
		159,062	189,098
		159,062	189,098
Note 12: Lease liabilities			
CURRENT			
Current lease liabilities		103,615	109,405
Less: future finance charges		(32,050)	(20,583)
		71,565	88,822
		71,565	88,822
NON-CURRENT			
Non-current lease liabilities		803,566	448,752
Less: future finance charges		(130,377)	(39,804)
		673,189	408,948
		673,189	408,948
Total lease liabilities		744,754	497,770
<p>The property lease commitments are non-cancellable operating leases contracted for and are recognised in the financial statements in accordance with AASB16: <i>Leases</i>.</p>			
Note 13: Provisions			
CURRENT			
Provision for employee benefits: annual leave		86,139	81,546
Provision for employee benefits: long service leave		12,036	15,113
		98,175	96,659
		98,175	96,659
NON-CURRENT			
Provision for employee benefits: long service leave		13,201	6,555
		13,201	6,555
		13,201	6,555
Note 14: Contract Liabilities			
Income in advance - AQ Core Grant		400,000	400,000
Income in advance - BCC Grant		-	184,500
Income in advance - SCO & NQ		-	432,383
RISE income in advance		547,730	-
Other income in advance		249,582	160,987
		1,197,312	1,177,870
		1,197,312	1,177,870

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Notes to the Financial Statements
For the year ended 31 December 2021

Note 15: Contingent liabilities and assets

The company is not aware of any contingent assets or contingent liabilities. At 31 December 2021 no losses are expected to arise which have not been provided for in the accounts.

Note 16: Events after the end of the reporting period

There are no events after the end of the reporting period.

Note 17: Related Party Transactions

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

	2021	2020
	\$	\$
Key management personnel compensation		
short-term benefits	592,524	489,751

Details of the nature of each of the key management personal of the company are:

Chief Executive Officer

The Chief Executive Officer's role is to oversee all operations of Queensland Music Festival within the delegated authority of the board. These aspects include the ongoing development of the organisation as well as the administration, marketing, implementation, and presentation of all aspects of the festival, in keeping with the purpose, vision and artistic imperatives of Queensland Music Festival as approved by the board.

Program & Technical Director

The Program & Technical Director's role is to deliver the vision of the Queensland Music Festival program, planning and leading the successful development and execution of all Queensland Music Festival artistic projects and activities, including projects/ events outside the 'Festival' period where appropriate.

Marketing & Communications Director

The Marketing & Communications Director's role is to devise and manage the implementation of a cohesive marketing, communications and public relations strategy for all activities of the Queensland Music Festival, including projects/ events outside the 'Festival' period.

Business Development Director

The Business Development Director's role is to ensure the highest possible support for the festival through developing corporate and government partnerships, obtaining grants and fundraising. Building and maintaining effective relationships with diverse stakeholders.

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Notes to the Financial Statements
For the year ended 31 December 2021

Note 17: Related Party Transactions (Continued)

a. Key Management Personnel (Continued)

Details of appointment, resignation, and remuneration of board members of the company are:

Board member	Date appointed	Date resigned	Remuneration received
Alison Mobbs	16-Apr-18		\$ -
Diat Alferink	16-Apr-18		\$ -
Jane Williams	16-Apr-18	7-Jan-22	\$ -
Dominic McGann*	30-Jun-21	31-Oct-21	\$ -
Darren Busine*	30-Jun-21		\$ -
Paul Lindstrom	30-Jun-21		\$ -
Anne-Maree Willett	30-Jun-21		\$ -
Terence Willsteed	2-Mar-17	1-Mar-21	\$ -
Prof Margaret Barrett	16-Apr-18	1-Jun-21	\$ -

* Appointment ceased on 1 March 2021 and reappointed on 30 June 2021.

b. Other Related Parties

Darren Busine is an Executive of CS Energy who was a financial sponsor of Queensland Music Trails, featuring Opera at Jimbour.

Dominic McGann is a Director of the Frazer Family Foundation who regularly donate to QMF. Dominic is also a Partner of McCullough Robertson Lawyers who provide services for QMF. In addition to the below, McCullough Robertson Lawyers provided pro-bono services to QMF to the total of \$10,231.

Paul Lindstrom is a QUT Council member who is a Major Event Sponsor of the Yarrabah Music & Cultural Festival.

Alison Mobbs is currently employed by Western Downs Regional Council (WDRC) who were a Presenting Partner of the 2021 Opera at Jimbour.

Other related parties include immediate family members of key management personnel, and entities that are controlled or significantly influenced by those key management personnel individually or collectively with their immediate family members. No transactions are present of this nature in 2021 (2020: nil).

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. Further, we note the following related party revenue and expense transactions during the year between Queensland Music Festival and entities associated with key management personnel and board members:

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Notes to the Financial Statements
For the year ended 31 December 2021

Note 17: Related Party Transactions (Continued)

b. Other Related Parties (Continued)

	2021	2020
	\$	\$
Revenue:		
CS Energy	12,000	-
Frazer Family Foundation	10,000	10,000
QUT	50,000	
WDRC	50,000	-
	<u>122,000</u>	<u>-</u>
Expenses:		
Robert McCullough Robertson Lawyers	4,813	-
WDRC	9,703	-
	<u>14,516</u>	<u>-</u>

The following revenue and expenses relating to the Queensland State Government, which holds all the issued capital of the company, either directly or indirectly through departments or statutory authorities:

Revenue:		
Arts Queensland - Core funding	1,600,000	1,600,000
Arts Queensland - RASN funding	-	420,000
Arts Queensland - Other	250,000	133,826
	<u>1,850,000</u>	<u>2,153,826</u>
Expense:		
Arts Queensland - Other	-	16,722
	<u>-</u>	<u>16,722</u>

Note 18: Financial Risk Management

Financial Risk Management Policies

Financial Instruments Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the financial instrument.

The company's financial instruments consist mainly of cash and deposits with banks. The main purpose of non-derivative financial instruments is to raise finance for operations. The company does not have any derivative instruments at 31 December 2021.

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Notes to the Financial Statements
For the year ended 31 December 2021

Note 18: Financial Risk Management (Continued)

Financial Risk Management Policies (Continued)

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents
- Receivables - held at amortised cost
- Payables – held at amortised cost
- Lease Liabilities - held at amortised cost

	Note	2021 \$	2020 \$
The carrying amounts of trade receivables and payables approximate their fair value.			
No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.			
The carrying amounts for each category of financial instruments:			
Financial Assets			
Cash and cash equivalents	5	2,503,152	2,443,876
Receivables	6	64,450	244,756
Total Financial Assets		<u>2,567,602</u>	<u>2,688,632</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	11	159,062	189,098
Lease liabilities	12	744,754	497,770
		<u>903,816</u>	<u>686,868</u>

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk and credit rate risk.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The net fair values of assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876

Notes to the Financial Statements
For the year ended 31 December 2021

Note 19: Company Details

The registered office and principal place of business of the entity is:

Queensland Music Festival
Level 1, 381 Brunswick Street
Fortitude Valley QLD 4006

The Queensland Music Festival Pty Ltd
ABN 67 084 526 876


Directors' Declaration

In the directors' opinion:

1. the financial statements and notes set out on pages 3 to 25 are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (ii) complying with the *Australian Charities and Not-for-profit Commission Act 2021* and the *Australian Charities and Not-for-Profit Commission Regulations 2013*; and
 - (iii) giving a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.


The declaration is made in accordance with a resolution of the directors.

DocuSigned by:

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Darren Busine
Director

20 April 2022
Brisbane, Queensland

04/20/22 | 10:58 AM AEST

DocuSigned by:

E360A9C1B8364FB...

Paul Lindstrom
Director

21 April 2022
Brisbane, Queensland

04/21/22 | 11:57 AM AEST

INDEPENDENT AUDITOR'S REPORT

To the Members of The Queensland Music Festival Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The Queensland Music Festival Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 31 December 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013*, *Financial Accountability Act 2009* and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Carolyn Dougherty
as delegate of the Auditor-General

22 April 2022

Queensland Audit Office
Brisbane