

## Directors' Report

The Directors of Screen Queensland Pty Ltd ("company") present their Report together with the financial statements of the company for the year ended 30 June 2016.

### Director Details

The following persons were Directors of the company during or since the end of the year and up to the date of this report:

#### **Ms Linda Apelt**

Director since 01/09/2015

Chair since 01/09/2015

Ms Apelt has over 35 years of progressive experience in corporate environments, including fourteen years as a Director-General of Housing and Community Services portfolios. Linda is currently CEO of Montrose, Therapy and Respite Services and Adjunct Professor, Institute of Social Science Research, The University of Queensland. She has served as a non-Executive Director on a range of Boards including QSuper Board of Trustees; Australian Institute of Health and Welfare; Australian Housing and Urban Research Institute; and the Crèche and Kindergarten Association Limited. She has also Chaired a range of national and State based Ministerial Advisory Committees and public sector Boards of Management as an Executive Director.

Ms Apelt holds a Diploma (GAICD) Australian Institute of Company Directors, Master of Educational Studies from The University of Queensland, Graduate Diploma in Counselling, Bachelor of Education from the Queensland University of Technology and Diploma in Teaching (Secondary) from the Queensland University of Technology. She is a recipient of the Centenary of Federation Medal for distinguished contribution to the public sector.

#### **Ms Patricia Heaton**

Director since 01/09/2015

Member, Audit and Accounts Committee

Ms Heaton is an AFTRS graduate, former CEO of Ausfilm, and former Manager the Production Liaison Unit at the FTO (now Screen NSW.). She has worked in the screen sector since 1980 as producer, location manager, senior executive and company director. Ms Heaton served as a Board member at Ausfilm (1999) and served on the Screen NSW Board (2009-2014). Currently Ms Heaton is a co-Director of The Heaton Group with her husband, developing real estate projects in Sydney.

#### **Ms Catherine O'Sullivan**

Director since 01/09/2015

Chair, Audit and Accounts Committee

Ms O'Sullivan is currently Pro Vice-Chancellor, Pathways and Partnerships, Bond University (since 2013), and is a senior executive who has achieved significant contributions to educational, community and employment outcomes, through strong leadership, innovation and partnerships. She is the former State Manager, Queensland State Office, Department of Education, Employment and Workplace Relations (2007-2012) and former Assistant Director-General (Regional Delivery) for the Department of Primary Industries and Fisheries (2005-2007). Ms O'Sullivan was awarded Telstra Business Woman of the Year and is an invited member of the Harvard Women's Leadership Board (2015). She holds an Executive Masters in Public Administration ANZSOG, Diploma of Education and Bachelor of Arts from the University of New England. Catherine is a Churchill Fellow and a recipient of the Australian Rural Leaders' Scholarship.

## Directors' Report (Cont'd)

### **Mr Michael Smellie**

Director since 01/09/2015

Mr Smellie is Chair, QUT Creative Enterprise Australia, with a music business career of over 25 years. He is the former Global Chief Operating Officer of SonyBMG, Asia Pacific Head of BMG and Managing Director of PolyGram and rooArt in Australia. As Chief Operating Officer of BMG worldwide, he negotiated and implemented the merger with Sony Music. Mr Smellie is the former President of media development for Asia Pacific for the German media company, Bertelsmann (until 2010) and past Chair of the Australian Film Television and Radio School. He is currently Chair of Music Australia and the Australian Board of The Global Poverty Project, and holds a Bachelor of Business from NSWIT.

### **Mr Paul Syvret**

Director since 01/09/2015

Paul Syvret is assistant editor and columnist with the Courier-Mail. He is a multi-award winning journalist with 30 years' experience in the media who has worked across the platforms of print, television and digital. His specialty is finance and economic reporting and analysis; skills honed over many years working on mastheads including the Australian Financial Review and The Bulletin magazine. Paul also brings with him a life long passion for Australian film, and regularly appears as a guest presenter at genre cinema events.

### **Mr Takeshi Takada**

Director since 01/09/2015

Alt.vfx co-founder and company Director, Takeshi Takada, is the most awarded Executive Producer within the post-production industry in the APAC region. The company was established in 2011 and has quickly become one of the most respected visual effects studios in the region. Alt.vfx is a state-of-the-art post production studio specialising in visual effects and design for film and television, with their work winning many international awards including Cannes Lions, Mobius, Clio, New York Festival and London International awards. Based in Brisbane with a studio in Sydney, Alt has further plans for expansion in various destinations, capitalising on the kind of global work and relationships that saw the company being named Queensland Exporter of the Year and Australian Exporter of the Year for the Creative Industries in 2015. Mr Takada was named the Business Person of the Year at the Brisbane Lord Mayor's Multicultural Awards for Business – 2014 and is currently one of the Board members of the Lord Mayor's Creative Brisbane Advisory Board.

The following persons were Directors of the company during the year up to the dates indicated.

### **Mr William McInnes**

Director since 01/09/2015 to 19/07/2016

Mr McInnes is an acclaimed and accomplished actor and writer. He has received multiple Logie Awards for his television work and multiple AFI nominations for his work in film. William most recently starred in the ABC telemovie, Dangerous Remedy, alongside Claudia Karvan in The Time Of Our Lives and as the host of Auction Rooms and Hello Birdy. William is the author of eight books and brings a unique perspective on talent attraction and career insights in an industry context. William writes a weekly column for The Courier Mail and has been the Chair of the Advisory Council to Museum of Australian Democracy and is a present member of the Advertising Standards Board.

## Directors' Report (Cont'd)

### **Professor Peter Little AM**

Director and Chair 17/10/2013 to 31/08/2015

Professor Little is the Deputy Vice-Chancellor (Corporate Programs and Partnerships) at the Queensland University of Technology, he holds a Bachelor of Laws and Master of Laws from the University of Queensland and PhD from Bond University Law School. He is a Fellow of the Australian

Institute of Management, Fellow of CPA Australia, and Fellow of Queensland Academy of Arts and Sciences. He is a Director of Ormiston College, consultant to McCullough Robertson Lawyers Brisbane, a Director of the RACQ Foundation Pty Ltd and is a member of the Governing Committee of the Queensland Business Leaders Hall of Fame.

### **Mr Michael Hawkins**

Director 01/07/2012 to 31/08/2015

Michael Hawkins is the Executive Chairman of the Asia Pacific Screen Awards and the Brisbane Asia Pacific Film Festival. He is also Executive Director of the National Association of Cinema Operators – Australasia and the Australian International Movie Convention, Director of the Intellectual Property Awareness Foundation Ltd and a member of Advisory Boards including HLB Mann Judd Chessboard and several other private companies. He serves on the Foundations of the Queensland State Library and the University of Queensland Diamantina Research Institute. He was formerly CEO of Australian Multiplex Cinemas Ltd and also served for many years as an Executive Councillor of the Australian Entertainment Industry Association. He is a lawyer by training and a Fellow of the Australian Institute of Company Directors.

### **Mr Peter Baston**

Director 01/07/2012 to 31/08/2015

Peter has been a barrister for over thirty years and is an experienced arbitrator, mediator and consultant. Peter has been a part-time member of the Criminal Justice Commission Misconduct Tribunal. His interests included risk assessment and audit.

### **Distinguished Professor Stuart Cunningham AM**

Director 01/07/2012 to 31/08/2015

Stuart is Distinguished Professor, QUT, and Director of the Australian Research Council Centre of Excellence for Creative Industries and Innovation. He has also served as Commissioner of the Australian Film Commission.

### **Mr Geoff Cooper**

Director 01/07/2012 to 31/08/2015

Geoff is a television executive, producer and media consultant with over 20 years' experience in the Queensland industry. He has worked for several free-to-air networks and is a board member of the Brisbane Powerhouse, chairing the Digital Innovation Group. He is currently Channel Nine's Queensland Head of Programming and Production. Prior to this role, he acted as Live Action Commissioner and Executive Producer for ABC Children's Television and was Network Ten's Manager and Executive Producer of Children's and Documentary Production.

## Directors' Report (Cont'd)

### Cr Jan Grew

Director 01/07/2012 to 31/08/2015

Jan Grew has been a Councillor with the Gold Coast City Council for 22 years and is the Chair of the Council's Economic Development and Major Projects Committee. Councillor Grew has a Master's Degree in Film and Television from Bond University and is a Graduate of the Australian Institute of Company Directors. She is a board member of The Arts Centre Gold Coast.

### Director's Term

Directors of the company have been appointed for a common term. Expiry dates of current appointments are as follows:

Name	Expiry of current term
Linda Apelt	31 August 2018
Patricia Heaton	31 August 2018
Catherine O'Sullivan	31 August 2018
Michael Smellie	31 August 2018
Paul Syvret	31 August 2018
Takeshi Takada	31 August 2018

### Principal activities

The principal activities of the company during the course of the year were the facilitation of:

- the development, promotion and enhancement of the screen industry; and
- screen culture and presentation of screen related events in Queensland.

There were no significant changes in the nature of the activities of the company during the year.

### Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the company during the year are:

Director	Directors' meetings		Audit and Accounts meetings	
	A	B	A	B
Linda Apelt	6	6		
Patricia Heaton	6	5	1	1
Catherine O'Sullivan	6	5	1	1
William McInnes	6	1		
Michael Smellie	6	5		
Paul Syvret	6	5		
Takeshi Takada	6	5		
Peter Little	2	2		
Michael Hawkins	2	2		
Geoff Cooper	2	2		
Peter Baston	2	2	1	1
Stuart Cunningham	2	2	1	1
Jan Grew	2	2		

Where:

- Column A is the number of meetings the Director was entitled to attend;
- Column B is the number of meetings the Director attended.

## Directors' Report (Cont'd)

### Board responsibilities

The Directors are accountable to the company shareholder for the performance of the company and have overall responsibility for its operations. The company operates a diverse and complex range of businesses and one of the primary duties of the Board is to ensure these activities are operated appropriately.

Key responsibilities of the Board include:

- Approve the strategic direction and related objectives of the company and monitor management performance in the achievement of these objectives;
- Adopt an annual budget and monitoring the financial performance of the company;
- Select, appoint, setting targets for, and review the performance of the Chief Executive Officer;
- Oversee the establishment and maintenance of adequate internal controls and effective monitoring systems;
- Ensure all major business risks are identified and effectively managed; and
- Ensure the company meets its legal and statutory obligations.

The Directors have a broad range of skills including knowledge of the industry in which the company operates to allow informed decision making.

### Code of conduct

Directors, management and staff are expected to perform their duties in line with the company's code of conduct ensuring professionalism, integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

### Corporate governance

The company is incorporated under the *Corporations Act 2001* and is a company limited by shares, with these shares held beneficially for the State of Queensland. The Directors are responsible for corporate governance, ensuring transparency of operation of the company. Summarised in this report are the primary corporate governance practices established by the Board, which were in place throughout the financial year, unless otherwise stated, to ensure the interests of the State of Queensland, clients and staff are protected.

### Independent professional advice

The Board collectively, and each director individually, has the right to seek independent professional advice at the expense of the company.

A Director seeking such advice must obtain the prior approval of the Chair or in his/her absence, the Board. Such approval may not be unreasonably withheld. A copy of advice received by a director is made available to all other directors of the Board except where circumstances deem it inappropriate.

### Conflicts of interest

In accordance with the *Corporations Act 2001* and the company's constitution, Directors must keep the Board advised on an ongoing basis of any interest that could potentially conflict with company interests. Where the Board believes a significant conflict exists, the Director concerned will not receive relevant Board papers, will not be present at the meeting whilst the item is considered, and will play no part in any decision made concerning the item.

## Directors' Report (Cont'd)

### Board committees

In order to provide adequate time for the Board to consider strategy, planning and performance enhancement, the Board has delegated specific duties to board committees. The Board has established the Audit and Accounts Committee with a defined charter.

The primary role of the Audit and Accounts Committee is to evaluate the company's compliance and risk management structure and procedures. It also has a role in audit planning and review. The committee reviews the annual financial statements prior to consideration by the Board.

### Insurance and indemnities

The company has paid an insurance premium for General Liability of \$13,914 excluding GST to the Queensland Government Insurance Fund (QGIF), which includes Directors and Officers coverage during the year. This policy was renewed after the year end.

The Directors received advice from the former Director-General of the department formerly known as DSITIA that Screen Queensland can enter into Deeds of Access and Indemnity with each of its Directors. The board of directors resolved to adopt the recommendations in the advice and each entered into the Deeds of Access and Indemnity in July 2013.

### Options

No options over unissued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

### Operating result

The company's net profit after income tax for the year was \$4,757,512 (2015: loss of \$1,155,465).

### Dividends

The company has not paid or declared a dividend during the year ended 30 June 2016.

### Review of financial operations

The profit is due to a timing difference between the year in which revenue is received and the year in which the expenses committed against that revenue, occur.

Each year the company commits funding to a variety of screen and culture projects and those funds can only be expensed upon the receipt of deliverables, as specified in the contract. This can be up to 2 financial years after the revenue has been received.

### Revenue

Revenue received from government sources increased during 2015-16. Limited life funding has been received to assist in attracting domestic and international productions to the state to build a continual pipeline of screen projects.

### Expenditure

Grants and funding approvals have increased in line with the increased revenue. Future funding commitments and approvals total \$28,154,833 at year end, and these commitments will become liabilities as specified in Note 13.

## Directors' Report (Cont'd)

### Significant changes in the state of affairs

There were no significant changes in the nature of the activities of the company during the year, and as at the signing date of these statements there has been no change in Queensland Government funding support.

### Likely developments

The company will continue to work with Governments and other domestic and international organisations to promote the development of the Queensland screen industry.

### Events subsequent to the end of the financial year

There is no matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect:

- the operations of the company;
- the results of those operations; or
- the state of affairs of the company for the financial years subsequent to 30 June 2016

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Environmental regulation

It is the company's policy to:

- abide by the concepts and principles of sustainable development;
- carry out operations in an environmentally responsible manner having consideration for individual and community welfare;
- ensure that, at a minimum, business is conducted in compliance with existing environmental legislation and regulations; and
- educate staff and employees in the importance of understanding their environmental responsibilities for the sensitive implementation of all operations.

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

### Rounding off

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

## Directors' Report (Cont'd)

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is included in page 9 of this financial report and forms part of the Director's Report.

Signed in accordance with a resolution of the Directors:



Linda Apelt  
Chair



Catherine O'Sullivan  
Chair, Audit and Accounts Committee

Brisbane, 22 August 2016

## Auditor's Independence Declaration

To the Directors of Screen Queensland Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Screen Queensland Pty Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been;

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



**P CHRISTENSEN FCPA**  
as Delegate of the Auditor-General of Queensland

**Queensland Audit Office**  
Brisbane

Signed at Brisbane on this 19<sup>th</sup> day of AUGUST 2016.

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Revenue	2	20,420	11,321
Expenses			
Development & Production expenses	3	12,253	9,774
Finance costs	4	288	80
Screen Culture expenses	3	1,144	666
Corporate expenses	3	1,978	1,956
Profit / (loss) before income tax		4,757	(1,155)
Income Tax expense	1 (n)	-	-
Profit / (loss) for the year		4,757	(1,155)
Other Comprehensive Income		-	-
Total Comprehensive Income		4,757	(1,155)
Total Comprehensive Income / (loss) for the year		4,757	(1,155)

The Statement should be read in conjunction with the notes to the financial statements

## Statement of Financial Position

As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	11,527	7,060
Trade and other receivables	7	2,012	2,518
Other current assets	8	129	49
<b>Total current assets</b>		<b>13,668</b>	<b>9,627</b>
<b>Non-current assets</b>			
Trade and other receivables	7	5,162	943
Plant and equipment	9	16	21
<b>Total non-current assets</b>		<b>5,178</b>	<b>964</b>
<b>Total assets</b>		<b>18,846</b>	<b>10,591</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	163	204
Borrowings	11	1,252	2,406
Employee benefits	12	94	82
<b>Total current liabilities</b>		<b>1,509</b>	<b>2,692</b>
<b>Non-current liabilities</b>			
Trade and other payables	10	243	15
Borrowings	11	5,395	949
Employee benefits	12	42	35
<b>Total non-current liabilities</b>		<b>5,680</b>	<b>999</b>
<b>Total liabilities</b>		<b>7,189</b>	<b>3,691</b>
<b>Net assets</b>		<b>11,657</b>	<b>6,900</b>
<b>Equity</b>			
Retained profits		11,657	6,900
<b>Total equity</b>		<b>11,657</b>	<b>6,900</b>

The Statement should be read in conjunction with the notes to the financial statements

## Statement of Changes in Equity

For the year ended 30 June 2016

	Note	Retained Profits \$'000	Total \$'000
Balance at 30 June 2014		8,055	8,055
Profit/(loss) for the year		(1,155)	(1,155)
Other Comprehensive Income		-	-
Balance at 30 June 2015		6,900	6,900
Profit/(loss) for the year		4,757	4,757
Other Comprehensive Income		-	-
Balance at 30 June 2016		11,657	11,657

The Statement should be read in conjunction with the notes to the financial statements

## Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Operating services</b>			
Government grants received		18,602	9,802
Cash receipts from customers		2,434	2,141
Cash payments to suppliers and employees		(16,819)	(13,871)
Interest received		610	318
Interest and finance charges paid		(288)	(80)
<b>Net cash provided by operating services</b>	15	<b>4,539</b>	<b>(1,690)</b>
<b>Investing activities</b>			
Proceeds from repayment of film assistance loans		2,233	6,464
Payments made for film assistance loans		(5,597)	(2,240)
<b>Net cash provided by investing activities</b>		<b>(3,364)</b>	<b>4,224</b>
<b>Financing activities</b>			
Repayment of borrowings		(2,593)	(5,763)
Proceeds from borrowings		5,885	2,747
<b>Net cash from (used in) financing activities</b>		<b>3,292</b>	<b>(3,016)</b>
<b>Net change in cash and cash equivalents</b>		<b>4,467</b>	<b>(482)</b>
Cash and cash equivalents, beginning of year		7,060	7,542
<b>Cash and cash equivalents, end of year</b>	15	<b>11,527</b>	<b>7,060</b>

The Statement should be read in conjunction with the notes to the financial statements

## Notes to and forming part of the Financial Statements

### 1. Summary of accounting policies

This financial report covers Screen Queensland Pty Ltd as an individual not-for-profit entity. Screen Queensland Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 22 August 2016 by the directors of the company.

#### (a) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, to meet the reporting requirements of the shareholder. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the presentation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on the historical cost convention. Except as stated, figures do not take into account changing money values.

The financial statements have been prepared in accordance with the going concern accounting principle. The ability of the company to continue its operations in future years will be dependent upon the continuing support of the State Government.

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### (b) Revenue recognition

Revenues are recognised at fair value of consideration received or receivable net of the amount of goods and services tax (GST) payable to the Australian Taxation Office.

A number of the company's programs are supported by grants received from the federal, state and local governments. If conditions are

attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Returns on equity invested in development or production of screen projects are recognised as revenue when the right to receive the investment return has been advised under the terms of the Production or Development Investment Agreement.

#### (c) Contra revenues and expenses: benefits via sponsorship agreements

Contra benefits represent benefits derived by the company via the use of equipment and services free of charge pursuant to the terms and conditions of various sponsorship agreements. Contra benefits are recognised in the Statement of Profit or Loss and Other Comprehensive Income at their estimated fair market value at the time of consumption.

#### (d) Assistance to domestic screen industry and grant commitments

Each year the company commits funds to a variety of screen and cultural projects. A liability for funds committed is recognised when an agreement has been signed and the company has a present obligation to settle the debt. A present obligation to

## Notes to and forming part of the Financial Statements

settle the debt is assessed by the company with reference to contract payment dates and completion of predetermined milestones and deliverables.

If the company does not have a present obligation to settle the debt at year end, the amount is considered as a commitment and not included as a liability in the Statement of Financial Position.

### (e) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings. All borrowing costs have been expensed in the current year.

### (f) Cash and cash equivalents

For the purposes of these statements, cash and cash equivalents comprise cash balances and call deposits with banks or financial institutions.

### (g) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Trade and other receivables also include film assistance loans issued to production companies. These loans have fixed periods and are subject to an interest rate of 50% of the 90 day Bank Bill Swap Rate.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

### (h) Plant and equipment

Plant and equipment with a cost or other value in excess of \$5,000 are capitalised in the year of acquisition. All other such assets with a cost or other value less than \$5,000 are expensed. Assets are measured after initial recognition at cost less accumulated depreciation and impairment losses. Assets acquired at zero cost or for nominal consideration are initially recognised as assets and

revenues at their fair value at the date of acquisition.

### (i) Acquisition

Purchases of plant and equipment are initially recorded at cost.

### Impairment

The carrying amounts of plant and equipment are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of plant and equipment exceeds the recoverable amount, the asset is written down to the lower amount to reflect any impairment. Any impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### Depreciation and Amortisation

Depreciation is calculated using the straight line method, so as to write off the cost (or other value) of each depreciable asset over their estimated useful life.

The cost (or other value) of leasehold improvements is amortised over the estimated useful life of the improvement or the unexpired period of the lease, whichever is shorter.

The depreciation rates used for each class of asset are as follows:

- Plant and equipment 25%

The assets' 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 Profit or Loss and Other Comprehensive Income.

### (i) Leases

Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. The company's premises, telephone and photocopier are held under operating leases.

## Notes to and forming part of the Financial Statements

### (k) Trade and other payables

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

### (l) Employee entitlements

#### **Wages, salaries and personal leave**

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates. The company expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, personal leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused personal leave entitlements is recognised.

As personal leave is non-vesting, an expense is recognised for this leave as it is taken.

#### **Annual and Long Service Leave**

Annual leave and long service leave liabilities are accounted for as short term employee benefits if the company expects to wholly settle all such liabilities within the 12 months following reporting date. Otherwise, annual leave and long service leave liabilities are accounted for as 'other long-term employee benefits' in accordance with AASB 119, and split between current and non-current components.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

#### **Superannuation**

The superannuation expense for the financial year reflects payments incurred in relation to employees' terms and conditions of employment for the period up to the reporting date. The company contributes to several superannuation funds. Contributions are charged against profit or loss as they are incurred.

### (m) Unearned income

The liability for unearned income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

### (n) Taxation

The company is exempt from income tax under Section 24AO of the *Income Tax Assessment Act 1936*.

Goods and Services Tax (GST) is payable by the company. 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).

Cash flows are included in the Statement of Cash Flows on a gross basis, with the GST components classified as operating cash flows including GST components of cash flows arising from investing and financing activities.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of the GST recoverable from, or payable to, the ATO is included with receivables or payables in the Statement of Financial Position.

### (o) Currency and rounding

All amounts in the financial report and accompanying notes are in Australian dollars and rounded to the nearest thousand dollars, unless otherwise stated.

### (p) Financial instruments

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

## Notes to and forming part of the Financial Statements

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

### ***Classification and subsequent measurement***

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments. Accordingly, such interests are accounted for on a cost basis.

### **(i) Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is

managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

### **(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

### **(iv) Available-for-sale investments**

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

## Notes to and forming part of the Financial Statements

### (v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have

not been renegotiated so that the loss events that have occurred are duly considered.

### **Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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.

### (q) Impairment

#### **Non-financial assets**

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the depreciated current replacement cost. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### **Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

## Notes to and forming part of the Financial Statements

All impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### (r) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### *Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### *Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### *Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

#### *Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### (s) Economic Dependence

The company's purpose is the provision of services on behalf of the Queensland State Government in relation to promotion and development of the screen production industry and screen culture in Queensland. Any significant change in Government funding support would have a material effect on the ability of the company to provide these services.

As at the signing date of this report management has no reason to believe that this financial support will not continue.

### (t) Comparatives

There has been no material restatement of comparative information.

### (u) Fair Value of Assets & Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to

## Notes to and forming part of the Financial Statements

share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

The company recognises borrowing from Arts Queensland at fair value at each reporting date, based upon Queensland Treasury Corporation's fair value assessment.

## Notes to and forming part of the Financial Statements

	2016 \$'000	2015 \$'000
<b>2. Revenue and other income</b>		
State grant revenue	18,602	9,802
Federal agency contributions	210	68
Domestic screen revenue	1,159	1,125
Interest revenue from investments	287	256
Interest revenue from loans and receivables	101	58
Other income	61	12
<b>Total Revenue</b>	<b>20,420</b>	<b>11,321</b>
<b>3. Expenses</b>		
<b>Development and Production</b>		
Development funding programs	822	872
Production funding programs	4,721	3,629
Incentives (including scouts)	5,221	3,409
Industry support programs	317	483
Marketing program	197	244
Assessment costs	51	75
Employee benefits expense	850	978
Other expenses	74	84
<b>Total Development and Production</b>	<b>12,253</b>	<b>9,774</b>
<b>Screen Culture</b>		
Screen Culture funding programs	1,052	588
Employee benefits expense	78	77
Other expenses	14	1
<b>Total Screen Culture</b>	<b>1,144</b>	<b>666</b>
<b>Corporate</b>		
Bad & Doubtful Debts	17	(27)
Board Costs	33	17
Communications & Marketing	135	199
Depreciation and amortisation	5	22
Employee benefits expense	1,109	871
Insurance	15	16
IT & Internet	122	189
Lease payments	250	312
Legal Fees	34	19
Travel	65	99
Other expenses	193	239
<b>Total Corporate</b>	<b>1,978</b>	<b>1,956</b>

## Notes to and forming part of the Financial Statements

	2016 \$'000	2015 \$'000
<b>4. Finance Costs</b>		
Interest and finance charges on borrowings	<u>288</u>	<u>80</u>
<b>5. Auditors' remuneration</b>		
Amounts received or due and receivable by The auditors for the audit of the financial report		
- current year	<u>30</u>	<u>34</u>

There are no non-audit services included in this amount.

### 6. Cash and cash equivalents

Cash on hand	3	1
Cash at bank	1,725	642
Cash fund (Queensland Treasury Corporation)	<u>9,799</u>	<u>6,417</u>
	<u><b>11,527</b></u>	<u><b>7,060</b></u>

### 7. Trade and other receivables

<b>Current</b>		
Sundry debtors	110	37
Taxes receivable	404	128
Loans receivable – film assistance loans	<u>1,498</u>	<u>2,353</u>
	<u><b>2,012</b></u>	<u><b>2,518</b></u>
<b>Non-current</b>		
Loans receivable – film assistance loans	<u><b>5,162</b></u>	<u><b>943</b></u>

### Provision for Impairment

The movement in the Provision for Impairment is as follows:

Opening Balance	-	251
Charge for the year	(17)	(27)
Amounts written off	<u>17</u>	<u>(224)</u>
Closing Balance	<u>-</u>	<u>-</u>

### Credit Risk

Trade and other receivables (excluding film assistance loans) are non-interest bearing and are generally on 30 day terms. Film assistance loans are secured, interest bearing and are for a fixed term. The security is a fixed and floating charge held by the company over the assets of the borrower.

## Notes to and forming part of the Financial Statements

	2016 \$'000	2015 \$'000
<b>8. Other current assets</b>		
Prepayments	<u>129</u>	<u>49</u>
<b>9. Plant and equipment</b>		
Plant & equipment at cost	94	94
Less: accumulated depreciation	<u>(78)</u>	<u>(73)</u>
	<u>16</u>	<u>21</u>

### Reconciliation

Reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the year is as follows:

	Plant & equipment \$'000	Total \$'000
<b>2016</b>		
Carrying amount at 1 July 2015	21	21
Additions	-	-
Disposals	-	-
Depreciation and amortisation	<u>(5)</u>	<u>(5)</u>
Carrying amount at 30 June 2016	<u>16</u>	<u>16</u>

### 10. Trade and other payables

#### Current

Sundry payables and accruals	159	192
Unearned interest revenue - film assistance loans	<u>4</u>	<u>12</u>
	<u>163</u>	<u>204</u>

#### Non-current

Unearned interest revenue - film assistance loans	<u>243</u>	<u>15</u>
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### 11. Borrowings

Borrowings from Arts Queensland - Current	1,252	2,406
Borrowings from Arts Queensland - Non-current	<u>5,395</u>	<u>949</u>
	<u>6,647</u>	<u>3,355</u>

Borrowings are from Arts Queensland and by their nature are unsecured.

The loans are denominated in Australian dollars and are payable over various periods of time which match the maturity dates of loans receivable.

## Notes to and forming part of the Financial Statements

	2016 \$'000	2015 \$'000
<b>12. Employee Benefits</b>		
<b>Current</b>		
Annual Leave	94	82
<b>Non-current</b>		
Long Service Leave	42	35
	<b>136</b>	<b>117</b>

A liability has been recognised by the company for employee entitlements relating to annual and long service leave for employees. Refer to note 1(l).

## 13. Commitments for expenditure

### Lease commitments

#### *Non-cancellable operating lease commitments*

Not longer than one year	212	195
Longer than one year but not longer than five years	510	708
	<b>722</b>	<b>903</b>

The lease commitment represents the lease for the company's office premises on a 5 year term and other operating leases for photocopiers and phone system with terms of 3 and 5 years respectively.

### Future screen commitments

#### *The commitment remaining at year end is payable in*

Not longer than one year	11,635	4,031
Longer than one year but not longer than five years	12,000	8,700
	<b>23,635</b>	<b>12,731</b>

The company enters into contracts with practitioners from the screen industry for the provision of grant funding. A commitment has been recognised when a contract has been entered into by the company. Amounts are transferred from a commitment to a liability when the terms, conditions and deliverables as per the contract have been fulfilled by the industry practitioner. Funds equal to the amounts committed are held in the company's equity until such time as the funds are expended.

### Other grant approvals

In addition to the \$23,635,339 of commitments listed above, the company's Directors have approved grants for the amount of \$4,519,494 (2015: \$939,252) payable to practitioners in the screen industry, however the contracts had not been executed at 30 June 2016. These approvals will become a commitment when a contract has been executed by the company. Funds equal to the amounts of grants approved are held in the company's equity reserves until such time as the funds are expended.

## Notes to and forming part of the Financial Statements

### 14. Contributed equity

The company is a company limited by shares. The sole share is held by the State of Queensland and is fully paid to the value of \$10 (2015: 1 Share, fully paid, \$10).

2016	2015
\$'000	\$'000

### 15. Notes to statement of cash flows

#### Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, short term deposits and investment securities. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	3	1
Cash at bank	1,725	642
Cash fund (Queensland Treasury Corporation)	9,799	6,417
	<b>11,527</b>	<b>7,060</b>

#### Credit standby arrangements and loan facilities

The company has a loan facility from Arts Queensland amounting to \$20,000,000 (2015: \$20,000,000). This facility may be drawn upon at any time. At 30 June 2016, \$6,646,753 of this facility was drawn down (2015: \$3,354,515).

### 16. Remuneration of key management personnel

Key management personnel include the directors and executive officers of the company. A remuneration summary of the key management personnel of the company is as follows:

	Short-term Benefits	Long-term Benefits	Post-Employment Benefits	Termination Benefits	Totals
	Base remuneration (salary & other benefits) \$	Provision for long service leave \$	Super contributions \$	\$	\$
2016	511,730	8,327	47,499	-	567,556
2015	470,227	4,315	43,483	-	518,025

## Notes to and forming part of the Financial Statements

### 17. Transactions and balances with related parties

#### Controlling entities

Department of the Premier and Cabinet (DPC)	DPC is the ultimate parent entity of the company. During 2015-16 the company paid \$2,618 (2015: nil) for the hire of a booth at the Advance Queensland Innovation Summit.
Arts Queensland (AQ)	<p>AQ is a division of DPC. During the year the company received \$18,602,000 (2015: \$9,802,000) in grant funding from AQ. AQ also paid the company \$8,825 (2015: nil) as a contribution towards professional services.</p> <p>The company's borrowings are also from AQ. Refer to note 11 and note 15 for more information on these borrowings.</p>

#### Directors and director-related parties

The following persons who were Directors during the year had an interest in transactions with the company:

Name	Interest
Michael Hawkins	<p>Michael Hawkins is the Executive Director of the National Association of Cinema Operators – Australasia and the Australian International Movie Convention which received \$15,000 (2015: \$27,820) of funding from the company under the Screen Culture funding program.</p> <p>Michael Hawkins is the Executive Chairman of the Asia Pacific Screen Awards and the Brisbane Asia Pacific Film Festival and a consultant to Brisbane Marketing Pty Ltd. Brisbane Marketing was provided with \$700,000 (2015: \$300,000) funding this year (\$700,000 in 2016-17) from Screen Queensland to operate the Brisbane Asia Pacific Film Festival (BAPFF), which will showcase the filmmakers, films and documentaries of the Asia Pacific Screen Awards (APSA) and the Asia Pacific region of which Queensland is a part.</p>
Geoff Cooper	Geoff Cooper is on the Board of Directors for Brisbane Powerhouse Pty Ltd which received \$8,500 (2015: \$9,500) of funding from the company for the 2016 Brisbane Queer Film festival, under Screen Culture funding program. The company also paid \$3,960 (2015: \$6,777) to the Brisbane Powerhouse Pty Ltd for room hire and event services.
Michael Smellie	Michael Smellie is Chairman of QUT Creative Enterprise Australia (CEA). During the year the company entered into an agreement with CEA for sponsorship of Creative 3 and Screen Week events. Payments totalling \$10,000 (2015: nil) were made under this agreement. The company also paid \$2,281 to CEA for event services.

Apart from the details disclosed in this note, no other Director has entered into transactions with the company since the end of the previous financial year and there were no other transactions involving Directors' interests during the year.

## Notes to and forming part of the Financial Statements

### 18. Financial Risk Management

The company's financial instruments mainly consist of deposits with banks, accounts receivable and payable, film assistance loans to producers and borrowings from Queensland Treasury Corporation.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$'000	2015 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	6	11,527	7,060
Trade receivables	7	514	165
Loans receivable – film assistance loans	7	6,413	3,269
Total financial assets		<u>18,454</u>	<u>10,494</u>
<b>Financial Liabilities</b>			
Trade and other payables	10	159	192
Borrowings from Arts Queensland	11	6,647	3,355
Total financial liabilities		<u>6,806</u>	<u>3,547</u>

### 19. Events subsequent to reporting date

There were no material events subsequent to the reporting date but prior to the signing date of these accounts that the management or board of the company were aware of that require disclosure in the financial report.

### 20. Company details

The registered office and principal place of business of the company is:  
Screen Queensland Pty Ltd  
Suite 1, 30 Florence Street  
Newstead QLD 4006

## Notes to and forming part of the Financial Statements

### 21. Fair Value Measurement

The company has the following liabilities, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition. The company does not subsequently measure any assets at fair value on a recurring basis and has no assets or liabilities that are on a non-recurring basis.

	Note	2016 \$'000	2015 \$'000
<b>Recurring fair value measurements</b>			
<b>Financial Liabilities</b>			
Borrowings from Arts Queensland	11	6,647	3,355
Total financial liabilities recognised at fair value		<u>6,647</u>	<u>3,355</u>


## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Screen Queensland Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 28, are in accordance with the *Corporations Act 2001* and:
  - comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

  
Linda Apelt  
Chair

  
Catherine O'Sullivan  
Chair, Audit and Accounts Committee

Brisbane, 22 August 2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of Screen Queensland Pty Ltd

### Report on the Financial Report

I have audited the accompanying financial report of Screen Queensland Pty Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

## *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Screen Queensland Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

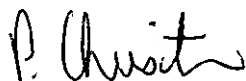
## *Opinion*

In my opinion the financial report of Screen Queensland Pty Ltd is in accordance with the *Corporations Act 2001*, including –

- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

## **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



P CHRISTENSEN FCPA  
(As Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane