

## 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 2022.

### 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:

#### **The Honourable Roslyn Atkinson AO**

Director since 24/01/2022

Chair since 01/06/2022

The Honourable Roslyn Atkinson AO is a lawyer, former actor and arts administrator with extensive experience chairing boards, a lifetime commitment to human rights and diversity whose main interest outside work is in film. Ms Atkinson was a judge of the Supreme Court of Queensland from 1998 to 2018.

During that time, she was responsible for many high-profile criminal and civil trials. She was also the Chair of the Queensland Indigenous Justice committee, lead author of the Equal Treatment Bench book and Chair for 12 years of the Queensland Law Reform Commission. She was also a member of the Board of Expressions Dance Company.

In 2015, Ms Atkinson was appointed an Officer of the Order of Australia for distinguished service to the judiciary and to law reform in Queensland, through contributions to the legal profession and to promoting awareness of issues of injustice and inequality in Australia and internationally. She has a life-long commitment to the arts, and to encouraging diversity and genuine equality particularly for First Nations people and people from diverse cultural backgrounds, women and people with disability.

#### **Patricia Alner**

Director 01/09/2018 to 30/11/2021 and since 24/01/2022

Chair, Audit and Risk Committee

Patricia has over 25 years' experience in strategy and finance, asset planning and management, performance management systems, data analytics and digital solutions, change management and business process improvement. Patricia has a Bachelor of Informatics from Griffith University, a Graduate Diploma in Communication, and a Master of Business (Communication studies) from QUT. She has also completed a Graduate Diploma in Professional Accounting from QUT and is a Graduate of the Australian Institute of Company Directors (GAICD) and Certified Practising Accountant (CPA).

Patricia is Chair of Screen Queensland's Audit and Risk Committee. She is also Chair of the Audit and Risk Management Committee of the Queensland Catholic Education Commission and a former Non-Executive Director of the Asset Institute Australia.

#### **Lynne Benzie**

Director 01/09/2018 to 30/11/2021 and since 24/01/2022

Lynne Benzie has over 34 years in the film, television and entertainment industry. Her career started in the United Kingdom in Engineering. She then migrated to Australia in 1979 where she developed a very diverse background in the insurance, finance, legal, building and information technology industries, which led her to a position with EMI Records in promotion and marketing.

## Directors' Report (Cont'd)

Lynne joined Village Roadshow Studios in 1990 as PA to the General Manager of the Studios. After 5 years of being involved in the operations of the Studio Complex, she was promoted to Studio Manager, then to Vice President Studios Operations and in January 2008 was promoted to President of the Studios.

In her capacity as President of Studios she is responsible for the day to day running and operations of the Studio Complex including studio financial planning and marketing. She travels to the U.S.A. twice a year and works closely with Screen Queensland and City of Gold Coast to attract productions to Queensland and lobby governments to increase incentives.

Lynne was on the Board of the Pacific Film and Television Commission for 7 years and was Chair on Film Gold Coast and a committee member for REDAB (Regional Economic Development & Advisory Board for the film industry). Lynne is currently on the Board of Ausfilm Australia, Bond University – Film and TV advisory board, QUT – Creative Industries Faculty Advisory Committee, Jobs Queensland Advisory Committee and in 2018 was on the board for Gold Coast Film Festival.

### **Cathy Hunt**

Director 01/09/2018 to 30/11/2021 and since 24/01/2022

Cathy is successful cultural sector consultant and business woman with 30 years' experience providing research and advice to governments, architects, planners, arts and cultural organisations in the UK, Australia, New Zealand and Hong Kong and is the co-founding director of Brisbane-based Positive Solutions. She is the founder and investor in QuickstART, an interest free loan program for artists and creative practitioners and was an advisor to the \$1 million Arts Business Innovation Fund (ABIF), a partnership between the Queensland state government and Tim Fairfax Family Foundations.

Formerly a festival producer in the UK, Cathy recently returned to that role, bringing the WOW (Women of the World) Festival movement to Australia. As Executive Director of non-profit company One Mind, Cathy was the Executive Producer of WOW Festival 2018, celebrating the Women of the Commonwealth, and now a three-year program of festivals and activities, WOW Australia 2020-22 in Queensland. She is a global Ambassador for the WOW Foundation in London.

### **Kylee Ratz**

Director 01/09/2018 to 30/11/2021 and since 24/01/2022

Member, Audit and Risk Committee

Kylee is a highly experienced leader in the film and television industry, with over 28 years' experience in the field. The last 14 years have seen her take up the position of Group General Manager at Cutting Edge in which she leads a team of over 100 creatives. Kylee is recognised for her focus on building trusted relationships with clients and colleagues and delivering quality productions through a high performing workforce. She has a proven track record for being agile, dedicated and passionate about the industry through her diverse catalogue of work.

As Group General Manager, Kylee seeks out and provides the context for organisational information. She helps her colleagues and industry associates make sense of what they read and hear, while ensuring information is relevant so every employee knows how they belong in the bigger picture. Kylee started the Cutting Edge Film and TV Mentoring and Internship Program in 2006. Her ability to transform the landscape of a business and mentoring fellow colleagues is a rewarding part of her career.

## Directors' Report (Cont'd)

### **Dean Gibson**

Director between 05/11/2019 to 30/11/2021 and since 24/01/2022

Dean Gibson is an Aboriginal filmmaker with over 15 years' experience in creating, writing, directing, editing and producing content. His work has screened on ABC3, ABC1, SBS and NITV and includes children's television, documentary and drama.

Dean's onscreen highlights in the children's television space include directing a Sesame Street film Five Kangaroos, featuring Jessica Mauboy, which has screened to audiences all over the world. His most recent work Tjitji Lullaby for ABC Kids features nightly putting all Australian toddlers to bed. Dean also created and co-directed the childrens' TV series Handball Heroes, which screened on ABC3.

In the documentary space, Dean recently delivered Incarceration Nation to NITV/SBS in which he is the Writer and Director. Incarceration Nation is a Feature Documentary focusing on the systemic racism of the justice system within Australia. The documentary has been shortlisted as a finalist for 2022 Walkley Awards.

Aboriginal filmmaker, Dean Gibson has over a decade of experience in multiple facets of the screen industry. He currently sits on the Board of Screen Queensland, the Board of Queensland Theatre, the Griffith University Film School Advisory Board and the Essential Screen Skills Industry Advisory Board.

### **Professor Herman van Eyken**

Since 24/01/2022

Professor Herman van Eyken is currently a Director at the Griffith Film School and is appointed as a member of the Creative Arts Research Institute, Griffith University. Professor van Eyken has a background in script writing, producing and directing.

He has directed more than 190 films – shortlisted within international competition of leading film festivals such as Cannes, New York, Montreal and Vienna. Many of his films have received top awards in their respective category. Professor van Eyken's research interests lay in film policies, cross cultural collaboration and film training needs for professionals.

### **Aaron Fa'Aoso**

Since 24/01/2022

Member, Audit and Risk Committee

Aaron Fa'Aoso is a Torres Strait Islander, actor, screenwriter, director and producer. Since 2013 he has been the Managing Director of his own production company, Lone Star. Aaron is the producer and presenter of Strait to the Plate, an NITV SBS Food series featuring the culture and culinary traditions of the Torres Strait.

Aaron has also starred in films and TV series including RAN: Remote Area Nurse, East West 101, The Straits, Bikie Wars: Brothers in Arms, and Goldwater. Aaron actively supports and mentors other film practitioners and was previously a board member of Media RING—an industry group that developed and enhanced career opportunities for First Nations Australians in the media.

## Directors' Report (Cont'd)

### **Dylan Miklashek**

Since 24/01/2022

Mr Dylan Miklashek is Studio Manager and Managing Director of Gameloft Australia – a global leading video game developer and publisher. Mr Miklashek has over 25 years' experience in the video game industry and has lead teams on major franchises including FIFA, WWE, Batman and The Oregon Trail. Mr Miklashek is also a board member of the Interactive Games and Entertainment Association (IGEA).

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

### **Linda Lavarch**

Director 09/05/2018 to 31/05/2022

Chair 09/05/2018 to 31/05/2022

### **Patricia Heaton**

Director 01/09/2015 to 30/11/2021

### **Paul Syvret**

Director 01/09/2015 to 30/11/2021

### **Morgan Jaffit**

Director 01/09/2018 to 30/11/2021

### **Sally Robb**

Director 01/09/2018 to 30/11/2021

## Director's Term

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

<b>Name</b>	<b>Expiry of current term</b>
The Honourable Roslyn Atkinson AO	30 June 2025
Patricia Alner	30 June 2024
Lynne Benzie	30 June 2024
Cathy Hunt	30 June 2024
Kylee Ratz	30 June 2024
Dean Gibson	30 June 2024
Professor Herman van Eyken	30 June 2025
Aaron Fa'Aoso	30 June 2025
Dylan Miklashek	30 June 2025

## 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.

## Directors' Report (Cont'd)

### 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 Risk Committee meetings	
	A	B	A	B
The Honourable Roslyn Atkinson AO	5	4	-	-
Patricia Alner	9	9	2	2
Lynne Benzie	9	8	-	-
Cathy Hunt	9	7	-	-
Kylee Ratz	9	8	1	1
Dean Gibson	9	8	-	-
Professor Herman van Eyken	5	5	-	-
Aaron Fa'Aoso	5	4	1	1
Dylan Miklashek	5	5	-	-
Linda Lavarch	9	9	-	-
Patricia Heaton	4	3	-	-
Paul Syvret	4	4	1	1
Morgan Jaffit	4	4	-	-
Sally Robb	4	3	-	-

Where:

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

### 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 monitor the financial performance of the company;
- Select, appoint, set 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 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.

## Directors' Report (Cont'd)

### 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.

### 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 Risk Committee with a defined charter.

The primary role of the Audit and Risk Committee is to evaluate the company's compliance and risk management framework. 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 \$14,705 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.

### 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.

## Directors' Report (Cont'd)

### Operating result

Screen Queensland's operating result after income tax for the year was a net profit of \$17,840,902 (2021: profit of \$31,709,094). This operating result is largely due to a timing difference that occurs, under Australian Accounting Standards, between the recording of revenue for the Production Attraction Strategy and the recording of the expenditure committed against that revenue. Grant funding for the Production Attraction Strategy is recorded in the year in which projects are approved, however the contractual milestones which trigger expenditure to be recorded often occur a number of financial years later. This misalignment of timing between revenue and expenditure generates financial results for Screen Queensland that may vary significantly between years

### Dividends

The company has not paid or declared a dividend during the year ended 30 June 2022.

### Review of financial operations

The operating profit for the year 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.

The net assets at year end are sufficient to cover future funding commitments and approvals totalling \$73,681,462 as detailed in Note 12 of the financial statements.

### Revenue

Revenue received from government sources decreased in 2021-22 as a result of a lower demand for funding associated with Production Attraction Strategy programs.

### Expenditure

Grants and funding approvals recorded as expenditure also decreased in 2021-22 due to the timing of project acquitting contractual milestones.

### Significant changes in the state of affairs

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

### 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 are no matters or circumstances that have arisen since the end of the financial year that have 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 2022.

## Directors' Report (Cont'd)

### 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.

### 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.

Signed in accordance with a resolution of the Directors:



**The Honourable Roslyn Atkinson AO**  
Chair



**Patricia Alner**  
Chair, Audit and Risk Committee

Brisbane, 9 August 2022



## AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Screen Queensland Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

### **Independence declaration**

As lead auditor for the audit of Screen Queensland Pty Ltd for the financial year ended 30 June 2022, 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
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Michelle Reardon  
as delegate of the Auditor-General

3 August 2022

Queensland Audit Office  
Brisbane

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
State grant revenue		37,070	49,579
Studio hire and recoveries		1,213	1,830
Fees and charges		423	928
Interest		343	368
Other income		60	38
		39,109	52,743
<b>Expenses</b>			
Funding programs and incentives	2	11,342	13,819
Employee benefits	2	3,760	3,113
Supplies and services	2	2,119	1,445
Depreciation	7, 8	3,916	2,459
Finance costs	3	131	198
		21,268	21,034
<b>Profit for the year</b>		17,841	31,709
<b>Total Comprehensive Income for the year</b>		17,841	31,709

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

## Statement of Financial Position

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	65,015	38,128
Trade and other receivables	6	14,526	27,883
Prepayments		95	61
Total current assets		<u>79,636</u>	<u>66,072</u>
<b>Non-current assets</b>			
Trade and other receivables	6	5,787	4,900
Property, plant and equipment	7	1,912	3,271
Right-of-use assets	8	5,443	4,409
Total non-current assets		<u>13,142</u>	<u>12,580</u>
<b>Total assets</b>		<u><b>92,778</b></u>	<u><b>78,652</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	245	349
Lease liabilities	8	2,511	1,734
Borrowings	10	-	6,084
Employee benefits	11	234	210
Total current liabilities		<u>2,990</u>	<u>8,377</u>
<b>Non-current liabilities</b>			
Lease liabilities	8	3,406	2,612
Borrowings	10	5,816	4,909
Employee benefits	11	-	29
Total non-current liabilities		<u>9,222</u>	<u>7,550</u>
<b>Total liabilities</b>		<u><b>12,212</b></u>	<u><b>15,927</b></u>
<b>Net assets</b>		<u><b>80,566</b></u>	<u><b>62,725</b></u>
<b>Equity</b>			
Retained profits		<u>80,566</u>	<u>62,725</u>
<b>Total equity</b>		<u><b>80,566</b></u>	<u><b>62,725</b></u>

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 2022

	<b>Retained Profits \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2020</b>	31,016	31,016
Profit for the year	31,709	31,709
<b>Balance at 30 June 2021</b>	<u>62,725</u>	<u>62,725</u>
Profit for the year	17,841	17,841
<b>Balance at 30 June 2022</b>	<u><b>80,566</b></u>	<u><b>80,566</b></u>

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

## Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Government grants received		43,656	27,450
Cash receipts from customers		1,519	2,960
GST input tax credits from ATO		2,244	2,497
GST collected from customers		190	174
Interest received		311	324
<i>Outflows:</i>			
Cash payments to suppliers and employees		(17,157)	(18,451)
GST remitted to ATO		(197)	(170)
GST paid to suppliers		(1,514)	(1,817)
Interest and finance charges paid	3	(50)	(145)
<b>Net cash provided by/(used in) operating activities</b>		<b>29,002</b>	<b>12,822</b>
<b>Cash flows from investing activities</b>			
Payments made for property, plant and equipment	7	(256)	(2,043)
Proceeds from repayment of film assistance loans		6,051	2,799
Payments made for film assistance loans		(887)	(908)
<b>Net cash provided by/(used in) investing activities</b>		<b>4,908</b>	<b>(152)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments	8	(1,846)	(1,766)
Repayment of borrowings		(6,114)	(3,691)
Proceeds from borrowings		937	1,053
<b>Net cash (used in)/provided by financing activities</b>		<b>(7,023)</b>	<b>(4,404)</b>
<b>Net change in cash and cash equivalents</b>		<b>26,887</b>	<b>8,266</b>
Cash and cash equivalents, beginning of year		38,128	29,862
<b>Cash and cash equivalents, end of year</b>	5	<b>65,015</b>	<b>38,128</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

#### (a) General information about the reporting entity

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 company invests in production, talent development programs and screen culture festivals to grow a successful screen industry throughout Queensland. The registered office and principal place of business of the company is Level 2, 130 Commercial Road, Teneriffe, Brisbane, QLD 4005

#### (b) Basis of accounting

These general purpose financial statements are prepared in accordance with the disclosure requirements of Australian Accounting Standards – Simplified Disclosures, 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 the 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, which is prepared on a cash basis, 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.

#### (c) First time mandatory application of Australian Accounting Standards and Interpretations

One new accounting standard was applied for the first time in 2021-22: *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. The application of *AASB 1060* resulted in additional disclosures which are reflected in this financial report. No other new accounting standards applicable for the first time in 2021-22 had a material impact on the company.

#### (d) 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 state government. Income from these grants is recognised in accordance with *AASB 1058 Income of Not-for-Profit Entities*, except when there are enforceable and sufficiently specific performance obligations. In this case, income is accounted for in accordance with *AASB 15 Revenue from Contracts with Customers* where revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

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.

#### (e) 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.

## Notes to and forming part of the Financial Statements

A present obligation to 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.

### **(f) Borrowing costs**

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

### **(g) Current/Non-current classification**

Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or the company does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

### **(h) 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 which have no more than 90-day maturity.

### **(i) 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. Grant revenue receivable from the Department of the Premier and Cabinet is also included in trade and other receivables. This represents grant funding due but not yet paid at year end.

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, refer note 1 (p).

### **(j) Property, plant and equipment**

Property, plant and equipment with a cost or other value in excess of \$5,000 is 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. Assets under construction are included as work in progress and are subsequently reclassified to the relevant class within property, plant and equipment when construction is complete.

#### **Impairment**

The carrying amounts of property, plant and equipment are reviewed annually 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**

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

- Plant and equipment: 25%
- Leasehold improvements: life of lease

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Assets included as work in progress are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier.

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.

## Notes to and forming part of the Financial Statements

### (k) Leases

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs incurred and the initial estimate of restoration costs (where applicable). Subsequent to initial recognition, the cost is depreciated over the term of the lease.

Lease liabilities are initially recognised at the present value of future lease payments over the lease term. The lease term includes any extension or renewal options that the company is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise:

- fixed payments (less any lease incentives receivable),
- variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date),
- the amount of residual value guarantees,
- the exercise price of a purchase option (where the Company is reasonably certain to exercise the option); and
- payments for termination penalties (if the lease term reflects the early termination

The company's incremental borrowing rate is used when measuring the lease liability for the lease of office premises and a studio facility as the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate used is the fixed rate loan rate published by Queensland Treasury Corporation that corresponds to the lease's commencement date and lease term.

### (l) 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.

Unearned interest revenue is also included in trade and other payables and is split between current and non-current portions.

### (m) Employee benefits

#### *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 *Employee Benefits*, 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.

#### *Termination benefits*

Termination benefits represent cash payments made to employees who accepted redundancies during the year.



## Notes to and forming part of the Financial Statements

### (n) Taxation

The company is exempt from income tax under Section 24AO of the *Income Tax Assessment Act 1936* and is exempted from other forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

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 (i.e. trade date accounting is adopted).

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 amortised cost using the effective interest method.

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.

#### (i) 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.

#### (ii) 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).

## Notes to and forming part of the Financial Statements

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.

### **(q) 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 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.

### **(r) 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.

### **(s) Comparatives**

There has been no material restatement of comparative information.

### **(t) Authorisation of financial statements for issue**

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

## Notes to and forming part of the Financial Statements

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2. Expenses</b>		
<b>Funding programs and incentives</b>		
Development funding programs	1,828	1,691
Production funding programs	5,210	2,855
Incentives (including scouts)	3,155	8,141
Industry support programs	215	263
Marketing program	40	30
Screen Culture funding programs	894	839
	<b>11,342</b>	<b>13,819</b>
<b>Employee benefits</b>		
Salaries	3,148	2,736
Superannuation and payroll tax	435	341
Recruitment and professional development	144	21
Other employee benefits	33	15
	<b>3,760</b>	<b>3,113</b>
<b>Supplies and services</b>		
Property outgoings	741	615
IT & Internet	314	209
Communications and marketing	196	120
Professional services	214	139
Repairs and maintenance	130	137
Bank fees	77	58
Telephone	35	30
Hire fees	258	49
Travel	101	34
Other supplies and services	53	54
	<b>2,119</b>	<b>1,445</b>
<b>3. Finance Costs</b>		
<b>Interest and finance charges</b>		
Borrowings	50	145
Lease liabilities	81	53
	<b>131</b>	<b>198</b>
<b>4. Auditors' remuneration</b>		
Amounts received or due and receivable by the Queensland Audit Office for the audit of the financial report		
- current year	<b>40</b>	<b>35</b>

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

## Notes to and forming part of the Financial Statements

	2022 \$'000	2021 \$'000
<b>5. Cash and cash equivalents</b>		
Cash on hand	4	5
Cash at bank	9,297	510
Cash fund (Queensland Treasury Corporation)	55,714	37,613
	<u>65,015</u>	<u>38,128</u>

### 6. Trade and other receivables

#### Current

Sundry debtors	11,435	1,557
GST receivable (net)	101	795
Grants receivable	2,990	19,479
Loans receivable – film assistance loans	-	6,052
	<u>14,526</u>	<u>27,883</u>

#### Non-current

Loans receivable – film assistance loans	<u>5,787</u>	<u>4,900</u>
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#### 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.

### 7. Property, plant and equipment

Plant & equipment at cost	50	181
Less: accumulated depreciation	(39)	(159)
	11	22
Leasehold improvements at cost	5,207	5,207
Less: accumulated depreciation	(3,562)	(1,958)
	1,645	3,249
Work in progress	256	-
	<u>1,912</u>	<u>3,271</u>

#### Reconciliation - carrying amount at the beginning and end of year:

	Plant & equipment \$'000	Leasehold improvements \$'000	Work in progress \$'000	Total \$'000
<b>Carrying amount at 1 July</b>	<b>22</b>	<b>3,249</b>	<b>-</b>	<b>3,271</b>
Additions	-	-	256	256
Depreciation	(11)	(1,604)	-	(1,615)
<b>Carrying amount at 30 June</b>	<b>11</b>	<b>1,645</b>	<b>256</b>	<b>1,912</b>

## Notes to and forming part of the Financial Statements

	2022 \$'000	2021 \$'000
<b>8. Leases</b>		
<b>Right-of-use assets - Buildings</b>		
Opening balance	4,409	5,989
Additions	3,335	-
Disposals/derecognition	-	(61)
Depreciation	(2,301)	(1,519)
Closing balance	<u>5,443</u>	<u>4,409</u>
<b>Lease liabilities</b>		
Current	2,511	1,734
Non-current	3,406	2,612
	<u>5,917</u>	<u>4,346</u>
<b>Lease liability maturity</b>		
Undiscounted future lease payments included in the liability are as follows:		
Not later than one year	2,632	1,815
Later than one year and no later than five years	3,581	2,778
Later than five years	-	-
Less: effect of discounting	(296)	(247)
<b>Lease liabilities as at 30 June</b>	<u>5,917</u>	<u>4,346</u>
<b>Amounts recognised in profit or loss</b>		
Interest expense on lease liabilities	<u>81</u>	<u>53</u>
<b>Total cash outflow for leases</b>	<u>1,846</u>	<u>1,766</u>

The company leases office premises and two studio facilities for use in its operations. The lease term for the office premises is 6 years. Office lease rental is escalated each year by 3.5%. The lease term for each studio facility is 5 years. Studio lease rental is escalated each year by 3% (for Brisbane Studios) and 2% (for Far North Queensland Studios).

## 9. Trade and other payables

<b>Current</b>		
Sundry payables and accruals	244	341
Unearned interest revenue - film assistance loans	1	8
	<u>245</u>	<u>349</u>

## Notes to and forming part of the Financial Statements

	2022 \$'000	2021 \$'000
<b>10. Borrowings</b>		
Borrowings by their nature are unsecured.		
<b>Credit standby arrangements and loan facilities</b>		
The company has a loan facility from DPC amounting to \$30,000,000 (2021: \$30,000,000). This facility may be drawn upon at any time to fund film assistance loans (note 6). At 30 June 2022, \$5,816,165 of this facility was drawn down (2021: \$10,993,111). Loans are denominated in Australian dollars and are payable over various periods of time in line with the maturity dates of film assistance loans receivable:		
<b>Loans payable</b>		
Not later than one year	-	6,084
Later than one year and no later than five years	5,816	4,909
Later than five years	-	-
<b>Loans payable as at 30 June</b>	<b>5,816</b>	<b>10,993</b>

At 30 June 2022 interest rates on borrowings ranged from 0.79% to 2.19%.

## 11. Employee Benefits

### Current

Annual Leave	158	155
Long Service Leave	76	55
	<b>234</b>	<b>210</b>

### Non-current

Long Service Leave	-	29
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A liability has been recognised by the company for employee entitlements relating to annual and long service leave for employees. Refer to note 1(m).

## 12. Commitments for expenditure

### Future screen commitments - The commitment remaining at year end is payable in:

Not longer than one year	17,406	4,764
Longer than one year but not longer than five years	33,930	16,660
	<b>51,336</b>	<b>21,424</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.

## Notes to and forming part of the Financial Statements

### Other grant approvals

In addition to the \$51,336,348 of commitments listed above, the company's Directors have approved grants for the amount of \$22,345,114 (2021: \$32,263,952) payable to practitioners in the screen industry, however the contracts had not been executed at 30 June 2022. These approvals will become a commitment when a contract has been executed by the company.

### 13. 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 (2021: 1 share, fully paid, \$10).

### 14. 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
	Monetary Base remuneration	Non-monetary Car parking	Movements in provision for long service leave	Superannuation contributions		
<b>2022</b>	724,683	11,058	(10,608) <sup>1</sup>	70,005	-	795,138
<b>2021</b>	691,390	7,823	16,165	65,477	-	780,855

<sup>1</sup> Negative movements are driven by reversals of entitlement balances as a result of KMP departures

The amounts disclosed reflect expenses recognised in the Statement of Profit or Loss and Other Comprehensive Income. No key management personnel packages provide for performance or bonus payment.

### 15. Transactions and balances with related parties

Unless otherwise stated, all the transactions detailed below are in accordance with the Company's standard terms and conditions.

#### Controlling entities

Department of the Premier and Cabinet (DPC)	During the year the company recognised \$37,070,146 (2021: \$49,579,418) in grant funding from DPC. The company's borrowings are also from DPC.
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## Notes to and forming part of the Financial Statements

### Directors, key management personnel (KMP) and related parties

Lynne Benzie is the President of Village Roadshow Studios. In October 2015 (prior to Ms Benzie's appointment to the SQ Board) SQ entered into a contract with Village Roadshow Theme Parks Pty Ltd for a Revolving Film Finance Fund loan. In January 2021 the loan repayment date was extended to 23 October 2023. As at 30 June 2022 the loan balance is \$4,900,000 (excluding \$3,193 of interest for the month of June also due).

Lynne Benzie is a Director of the Gold Coast Film Festival. In June 2021 the Gold Coast Film Festival was approved funding of \$300,000 from SQ's Screen Culture program for the 2022 and 2023 festivals. A contract was subsequently entered into in December 2021. During 2021-22 payments of \$120,000 were made under this contract, with \$180,000 remaining to be paid at 30 June 2022. In addition, \$30,000 was paid during 2021-22 in relation to Gold Coast Film Festival contracts entered into prior to 2021-22.

Dylan Miklashek is a Director of Gameloft Australia Pty Ltd. In June 2021 (prior to Mr Miklashek's appointment to the SQ Board) Gameloft Australia Pty Ltd was approved funding of \$100,000 for two professional placements. A contract was subsequently entered into in July 2021 with \$100,000 remaining to be paid at 30 June 2022. In addition, in June 2022 Gameloft Australia Pty Ltd was approved \$755,507 in funding for the 'My Little Pony' digital games incentive.

Aaron Fa'Aoso is a Director of Lone Star Company Pty Ltd. In October 2021 (prior to Mr Fa'Aoso's appointment to the SQ Board) Lone Star Company Pty Ltd was approved funding of \$350,000 for the production of 'Strait to the Plate Season 2'. A contract was subsequently entered into in November 2021. During 2021-22 payments of \$280,000 were made under this contract, with \$70,000 remaining to be paid at 30 June 2022. In June 2022, Lone Star Company Pty Ltd was also approved funding of \$75,000 for the 2022 North Queensland Enterprise Program.

Dean Gibson is a Director of Bacon Factory Films Pty Ltd. In August 2020 Bacon Factory Films was approved \$99,000 in funding, from SQ's Aboriginal and Torres Strait Islander program, with a contract entered into in November 2020. \$59,400 was paid during 2020-21 with the remaining \$39,600 paid during 2021-22.

Morgan Jaffitt is a Director of Defiant Development Pty Ltd. In October 2019 Defiant Development was approved \$40,000 of funding from SQ's Games Development program. A contract was subsequently entered into in January 2020. \$12,000 remains to be paid at 30 June 2022.

Cathy Hunt is a Director of One Mind which facilitates the delivery of the Women of the World Festival (WOW) in Australia. In November 2019 the WOW Festival was approved \$8,000 in funding, from SQ's Screen Culture program, with a contract entered into in December 2019. \$1,600 remains to be paid at 30 June 2022.

Kylee Ratz is a Director of Cutting Edge Pty Ltd. During 2021-22 the Company made payments of \$1,875 to Cutting Edge Technical Services for IT work undertaken at Screen Queensland Studios.

Unless otherwise noted all transactions with related parties occur on normal terms and conditions for transactions of their nature.

No other Director or key management personnel has entered into transactions with the company since the end of the previous financial year and there were no other transactions involving Directors' or key management personnel's interests during the year.



## Notes to and forming part of the Financial Statements

### 16. Financial Risk Management

The company's financial instruments mainly consist of deposits with banks, accounts receivable and payables, film assistance loans to producers and borrowings from the Department of the Premier and Cabinet (DPC).

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 \$'000	2021 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	5	65,015	38,128
Trade receivables	6	14,425	21,036
Loans receivable – film assistance loans	6	5,787	10,952
<b>Total financial assets</b>		<b>85,227</b>	<b>70,116</b>
<b>Financial Liabilities</b>			
Trade and other payables	9	244	335
Borrowings from DPC	10	5,816	10,993
<b>Total financial liabilities</b>		<b>6,060</b>	<b>11,328</b>

### 17. 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.

### 18. Trust transactions and balances

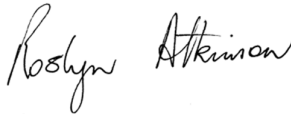
The company acts as a trustee for the Screen Queensland Fund (Fund). As the company performs only a custodian role in respect of the trust, the transactions and balances are not recognised in the financial statements but are disclosed in these notes for the information of users. As at 30 June 2022 the Fund had no assets or liabilities.

## 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 25, are in accordance with the *Corporations Act 2001* and:
  - comply with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
  - give a true and fair view of the financial position as at 30 June 2022 and of the financial 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:



**The Honourable Roslyn Atkinson AO**  
Chair



**Patricia Alner**  
Chair, Audit and Risk Committee

Brisbane, 9 August 2022