

Canberra International Music Festival Ltd

ABN: 46 381 984 616

Financial Statements

For the Year Ended 31 December 2021

Canberra International Music Festival Ltd

ABN: 46 381 984 616

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For the Year Ended 31 December 2021

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Canberra International Music Festival Ltd

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Committee's Report For the Year Ended 31 December 2021

The committee members present their report of the Company for the financial year ended 31 December 2021.

1. General information

Committee members

The names of committee members throughout the year and at the date of this report are:

Names	Position	Appointed/Resigned
Genevieve Jacobs	Chair	Appointed April 2018
Anna Prosser	Board Members	Appointed June 2016
Kelly Corner	Board Members	Appointed August 2020
Christina Cook	Board Members	Appointed June 2017
Kelly Wang	Treasurer	Appointed April 2021
Rowan Grigg	Board Members	Appointed May 2021
Suzana Bishop	Board Members	Appointed May 2021
Henry Kazar	Board Members	Appointed September 2021
Issac Youngberry	Treasurer	Resigned February 2021
Anthony Pages	Board Members	Resigned February 2021
Vaughan Grant	Board Members	Resigned February 2021
Natalie Shanahan	Board Members	Resigned April 2021
Beverley Clarke	Chair	Resigned May 2021
Jennifer Cameron	Board Members	Resigned May 2021
Giuditta Zizi	Chair	Resigned October 2021

Principal activities

The principal activities of the Company during the financial year were to support and encourage enjoyment of music by members and the general public, through the presentation of the Canberra International Music Festival and other events.

Significant changes

As all other arts organisations, the Canberra International Music Festival Ltd (CIMF) has been affected by the COVID19 pandemic. CIMF's fundraising target was not met due to COVID restrictions which prevented planned fundraising events taking place. However, CIMF was able to present a full festival in April-May 2021. 50% capacity restrictions were still in place, which made it necessary to offer two sessions of most concerts in order to meet ticket sales targets. This translated to increased production costs and artist fees. CIMF was greatly assisted by a grant from the Government's RISE fund (Restart Investment to Sustain and Expand), which covered the increased costs and the Festival's livestream content.

2. Operating result

The surplus of the Company for the financial year amounted to \$ 29,250 (2020: surplus \$ 48,674).

Canberra International Music Festival Ltd

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**Committee's Report
For the Year Ended 31 December 2021**

3. Sign off details

Signed in accordance with a resolution of the Members of the Committee:

Committee member:

Committee member:

Date:

Canberra International Music Festival Ltd

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Auditor's Independence Declaration under section 60-40 of the Australian Charities and Not-for-profits Commission ACT 2012 to the Responsible Persons of Canberra International Music Festival Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwickes
Chartered Accountants

Bhaumik Bumia CA
Partner

Canberra

Canberra International Music Festival Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Revenue and other income	4	903,577	472,628
Administrative costs		(52,509)	(44,916)
Artist fees and accommodation		(243,929)	(39,037)
Depreciation	8(a)	(4,660)	(3,486)
Expenses- off-season events		(24,060)	(41,803)
Functions & receptions expenses		(1,227)	-
Fundraising expenses		(2,938)	(2,232)
Marketing costs		(68,367)	(37,887)
Production costs		(151,079)	(9,272)
Publications expenses		(2,564)	-
Recording project expenses		(17,481)	-
Staff costs		(305,513)	(245,321)
Surplus before income tax		29,250	48,674
Income tax expense	2(a)	-	-
Surplus for the year		29,250	48,674
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		29,250	48,674

The accompanying notes form part of these financial statements.

Canberra International Music Festival Ltd

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Statement of Financial Position As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	459,780	226,132
Trade and other receivables	6	33,000	3,694
Other assets	7	48,746	40,257
TOTAL CURRENT ASSETS		<u>541,526</u>	<u>270,083</u>
NON-CURRENT ASSETS			
Plant and equipment	8	16,978	21,638
TOTAL NON-CURRENT ASSETS		<u>16,978</u>	<u>21,638</u>
TOTAL ASSETS		<u>558,504</u>	<u>291,721</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	15,690	11,192
Employee benefits	10	13,508	5,436
Other financial liabilities	11	323,237	98,730
TOTAL CURRENT LIABILITIES		<u>352,435</u>	<u>115,358</u>
Employee benefits	10	456	-
TOTAL NON-CURRENT LIABILITIES		<u>456</u>	<u>-</u>
TOTAL LIABILITIES		<u>352,891</u>	<u>115,358</u>
NET ASSETS		<u>205,613</u>	<u>176,363</u>
EQUITY			
Retained earnings		<u>205,613</u>	<u>176,363</u>
TOTAL EQUITY		<u>205,613</u>	<u>176,363</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2021

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2021	176,363	176,363
Surplus for the year	29,250	29,250
Balance at 31 December 2021	205,613	205,613

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2020	127,689	127,689
Surplus for the year	48,674	48,674
Balance at 31 December 2020	176,363	176,363

The accompanying notes form part of these financial statements.

Canberra International Music Festival Ltd

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Statement of Cash Flows For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,149,123	315,077
Payments to suppliers and employees	(915,923)	(419,168)
Interest received	448	1,119
Net cash provided by/(used in) operating activities	13 <u>233,648</u>	<u>(102,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	-	(21,380)
Net cash (used in) investing activities	<u>-</u>	<u>(21,380)</u>
Net increase/(decrease) in cash and cash equivalents held	233,648	(124,352)
Cash and cash equivalents at beginning of year	<u>226,132</u>	350,484
Cash and cash equivalents at end of financial year	5 <u><u>459,780</u></u>	<u><u>226,132</u></u>

The accompanying notes form part of these financial statements.

Canberra International Music Festival Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2021

The financial report covers Canberra International Music Festival Ltd as an individual entity. Canberra International Music Festival Ltd is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Canberra International Music Festival Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Operating grants and donations

When the company receives operating grant revenue and donations, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the reconciliation requirements of other applicable Accounting Standards;
- recognises related amounts; and
- recognises income immediately in profit or loss as the differences between the initial carrying amounts of the asset and the related amount.

If the contract liability is recognised as a related amount above, the entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Goods and services tax (GST)

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

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

Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

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

(d) Plant and equipment

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

Items of plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Depreciation

Plant and equipment, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture and equipment	33.33%
Computer Software	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income - Equity instruments

The Company has no investments in listed and unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Company does not hold any assets that falls into the category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and other payables.

(f) Impairment of Assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Economic dependence

Canberra International Music Festival Ltd is dependent on the ACT Government and the Commonwealth Government for a significant proportion of its revenue used to operate the business. At the date of this report the Committee Members have no reason to believe the ACT Government will not continue to support Canberra International Music Festival Ltd.

(i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	1 January 2022	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	Little impact expected but entities should consider the appropriate classification of liabilities as current or non-current.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgments

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

Grants

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the Company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions. Grants received by the Company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

Key judgements - COVID 19

The COVID-19 outbreak has impacted the way of life in Australia. This has affected the ability of the Company to continue operations as usual and has impacted on its operating results. In accordance with national guidelines, the Company has implemented safe work arrangements in response to government requirements and to ensure the wellbeing and safety of all employees and visitors. The Directors has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak. The Board have determined that the Company remains in a healthy cash position for the 2022 financial year.

4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue from operations		
- Concert income	383,223	45,541
- Donations	156,686	195,861
- Fundraising income	4,370	-
- Sponsorship and partnership income	13,300	-
- Membership income	12,875	11,549
- Publication and bar sales	12,443	658
	<u>582,897</u>	<u>253,609</u>
Revenue from grants		
- Commonwealth government grants – operating	193,000	-
- State government grants – operating	110,335	134,000
	<u>303,335</u>	<u>134,000</u>
Other Income		
- Jobkeeper subsidy	13,800	63,900
- Other income	3,097	-
- Interest income	448	1,119
- Cashflow boost	-	20,000
	<u>17,345</u>	<u>85,019</u>
Total Revenue and Other Income	<u>903,577</u>	<u>472,628</u>

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Notes to the Financial Statements For the Year Ended 31 December 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	459,780	226,132
	<u>459,780</u>	<u>226,132</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2021	2020
Note	\$	\$
Cash and cash equivalents	12 459,780	226,132
	<u>459,780</u>	<u>226,132</u>

6 Trade and Other Receivables

	2021	2020
Note	\$	\$
CURRENT		
Trade receivables	12 33,000	-
GST payables	-	3,694
	<u>33,000</u>	<u>3,694</u>

7 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	48,746	32,157
Accrued income	-	8,100
	<u>48,746</u>	<u>40,257</u>

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**Notes to the Financial Statements
For the Year Ended 31 December 2021**

8 Plant and equipment

	2021 \$	2020 \$
Furniture & equipments		
At cost	19,843	19,843
Accumulated depreciation	(18,179)	(17,347)
Total furniture and equipments	1,664	2,496
Computer software		
At cost	21,380	21,380
Accumulated depreciation	(6,066)	(2,238)
Total computer software	15,314	19,142
Total plant and equipment	16,978	21,638

(a) Movements in carrying amounts of plant and equipment

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

	Furniture & equipments \$	Computer Software \$	Total \$
Year ended 31 December 2021			
Balance at the beginning of year	2,496	19,142	21,638
Depreciation expense	(832)	(3,828)	(4,660)
Balance at the end of the year	1,664	15,314	16,978

	Furniture & equipments \$	Computer Software \$	Total \$
Year ended 31 December 2020			
Balance at the beginning of year	3,744	-	3,744
Additions	-	21,380	21,380
Depreciation expense	(1,248)	(2,238)	(3,486)
Balance at the end of the year	2,496	19,142	21,638

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Notes to the Financial Statements For the Year Ended 31 December 2021

9 Trade and Other Payables

		2021	2020
	Note	\$	\$
CURRENT			
Trade payables	12	5,382	2,074
GST payables		1,472	-
Accrued expense		4,200	4,000
Other payables		4,636	5,118
		<u>15,690</u>	<u>11,192</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

10 Provisions

		2021	2020
		\$	\$
CURRENT		-	-
Provision for annual leave		8,807	2,808
Provision for long service leave		4,701	2,628
		<u>13,508</u>	<u>5,436</u>
		2021	2020
		\$	\$
NON-CURRENT		-	-
Provision for long service leave		456	-
		<u>456</u>	<u>-</u>

11 Other Financial Liabilities

		2021	2020
		\$	\$
CURRENT			
Grant in advance		32,500	2,500
Income received in advance		290,737	96,230
		<u>323,237</u>	<u>98,730</u>

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Notes to the Financial Statements For the Year Ended 31 December 2021

12 Financial Risk Management

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

	Note	2021 \$	2020 \$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	5	459,780	226,132
Trade and other receivables	6	33,000	3,694
Total financial assets		492,780	229,826
Financial liabilities			
Financial liabilities at fair value			
Trade and other payables	9	5,382	2,074
Total financial liabilities		5,382	2,074

Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of Canberra International Music Festival Ltd's financial risk management framework. This includes the development of policies covering specific areas such as liquidity risk, credit risk and market risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Canberra International Music Festival Ltd's activities.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Notes to the Financial Statements

For the Year Ended 31 December 2021

12 Financial Risk Management

Liquidity risk

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Those charged with governance receive monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

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Notes to the Financial Statements For the Year Ended 31 December 2021

13 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Surplus for the year	29,250	48,674
Non-cash flows in surplus:		
- depreciation	4,660	3,486
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(21,206)	(11,794)
- (increase)/decrease in prepayments	(16,589)	14,651
- increase/(decrease) in income in advance	224,507	(158,099)
- increase in trade and other payables	4,298	857
- increase/(decrease) in accruals	200	(3,021)
- increase in employee benefits	8,528	2,274
Cashflows from operations	<u>233,648</u>	<u>(102,972)</u>

14 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

15 Statutory Information

The registered office of the company is:

Canberra International Music Festival Ltd
Ainslie Art Centre
30 Elouera Street
BRADDON ACT 2612

Canberra International Music Festival Ltd

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Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person Responsible person

Dated

Independent Audit Report to the members of Canberra International Music Festival Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Canberra International Music Festival Ltd, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Canberra International Music Festival Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent Audit Report to the members of Canberra International Music Festival Ltd

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible persons' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hardwickes

Chartered Accountants

Bhaumik Bumia CA
Partner

Canberra