

MAJOR EVENTS
GOLDCOAST.TM

MAJOR EVENTS GOLD COAST PTY LTD

ABN: 77 633 448 094

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Major Events Gold Coast Pty Ltd

CONTENTS

DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	11
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	11
2. EMPLOYEE BENEFITS.....	15
3. OTHER EXPENSES.....	15
4. CASH AND CASH EQUIVALENTS.....	15
5. PLANT AND EQUIPMENT.....	15
6. TRADE AND OTHER PAYABLES.....	16
7. EMPLOYEE BENEFITS.....	16
8. LEASE LIABILITIES.....	17
9. CONTRIBUTED EQUITY.....	18
10. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES.....	18
11. COMMITMENTS.....	18
12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS.....	18
13. RELATED PARTY DISCLOSURES.....	19
14. ECONOMIC DEPENDANCY.....	20
15. EVENTS AFTER THE REPORTING PERIOD.....	20
16. COMPANY DETAILS.....	21
DIRECTORS' DECLARATION	22
INDEPENDENT AUDITOR'S REPORT	23

Major Events Gold Coast Pty Ltd

DIRECTORS' REPORT

DIRECTORS' DETAILS AND MEETING ATTENDANCE

The names and attendance of the directors holding office at any time during or since the end of the financial year:

Name	Appointment date (resignation date)	Number eligible to attend	Number attended
Darryl Kelly	14/05/2019	12	12
Clark Kirby	29/07/2019	12	9
Geoff Hogg	29/07/2019	12	12
Gregory Jenke	29/07/2019	12	11
Jackie Cross	29/07/2019	12	11
Jessica Norris	29/07/2019	12	8
Mark Peters	29/07/2019	12	11
Michael Coe	29/07/2019	12	12
Peta Fielding	29/07/2019	12	12
Anthony McCabe	14/05/2019 (28/07/2019)	0	0

Note: 12 meetings of directors were held during the period 1 July 2019 to 30 June 2020.

PRINCIPAL ACTIVITIES

Major Events Gold Coast Pty Ltd was incorporated on 14 May 2019.

The principal activities of Major Events Gold Coast Pty Ltd during the financial year consisted of:

- (a) Establishing governance arrangements, including appointment of a Board of Directors and an Audit Committee;
- (b) Developing an appropriate organisational structure and company policies predominately for human resources, finance and governance;
- (c) Recruiting personnel (for commencement on 1 July 2020) with external recruitment for executive leadership roles and internal recruitment for remaining roles from Broadbeach Alliance Ltd, Surfers Paradise Ltd and Connecting Southern Gold Coast Pty Ltd; and
- (d) Establishing and fitting-out a principal place of business at Mezzanine Level, 10 Beach Road, Surfers Paradise, Queensland 4217.

REVIEW OF OPERATIONS AND RESULTS

Major Events Gold Coast Pty Ltd's operating profit of for the financial year ended 30 June 2020 was \$674,155.

Major Events Gold Coast Pty Ltd

DIRECTORS' REPORT

SUBSEQUENT EVENTS

Effective 1 July 2020, Major Events Gold Coast Pty Ltd assumed responsibility for the performance of some of the functions formerly performed by other controlled entities of the Council of the City of Gold Coast, being Broadbeach Alliance Ltd, Surfers Paradise Alliance Ltd and Connecting Southern Gold Coast Ltd. Assets and liabilities of these entities were also transferred to Major Events Gold Coast Pty Ltd on 1 July 2020 in consideration for the performance of transition services to be undertaken by Major Events Gold Coast Pty Ltd as defined in the transition services agreements.

In July 2020, Major Events Gold Coast Pty Ltd assumed responsibility for the event funding agreements formerly performed by the Council of the City of Gold Coast to be undertaken as defined in the services and funding agreement being developed.

The COVID-19 pandemic may result in a number of managed and funded events scheduled for the 2020-21 financial year being cancelled or postponed anywhere from 3 to 18 months.

LIKELY FUTURE DEVELOPMENTS AND RESULTS

Major Events Gold Coast Pty Ltd is to build a high value major events portfolio for the Gold Coast via the delivery, development and acquisition of major events that are intended to attract significant out-of-region visitation to the Gold Coast, generate strong spending in the Gold Coast and promote the Gold Coast's image as a global events destination to a wide national and international audience.

Key performance indicator baselines are to be established by 30 June 2021.

ENVIRONMENTAL REGULATIONS

Major Events Gold Coast Pty Ltd is not subject to any significant environmental regulations under a law of the Australian Government or of a state or territory.

DIVIDENDS OR DISTRIBUTIONS

No dividends were recommended, declared, or paid during the financial year ended 30 June 2020 to Major Events Gold Coast Pty Ltd's ultimate controlling entity, the Council of the City of Gold Coast.

OPTIONS

No options over issued shares or interests in Major Events Gold Coast Pty Ltd were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year ended 30 June 2020, the company was covered by the Council of the City of Gold Coast Insurance Company Limited insurances contracts in respect of the directors and executive officers for liability and legal expenses, for which no premiums were payable.

Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been the directors or executive officers of the company.

Major Events Gold Coast Pty Ltd

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave to bring proceedings against Major Events Gold Coast Pty Ltd. No person has applied for leave of court to bring proceedings on behalf of Major Events Gold Coast Pty Ltd or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of Major Events Gold Coast Pty Ltd for all or any part of those proceedings.

AUDITOR INDEPENDENCE

Refer to page 6 for the auditor's independence declaration made to the directors of Major Events Gold Coast Pty Ltd.

Signed in accordance with a resolution of the Directors.



Darryl Kelly
Director

Date 25.9.20



Michael Coe
Director

Date 25.9.20

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Major Events Gold Coast 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 Major Events Gold Coast Pty Ltd for the financial year ended 30 June 2020, 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.



Melissa Read
as delegate of the Auditor-General

25 September 2020

Queensland Audit Office
Brisbane

Major Events Gold Coast Pty Ltd
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$
Income		
Grants from the Council of the City of Gold Coast		1,252,419
Interest received		118
Total income		<u>1,252,537</u>
Expenses		
Marketing expenses		34,230
Administration expenses		154,706
Employee benefits	2	365,332
Other expenses	3	24,114
Total expenses		<u>578,382</u>
Total comprehensive income/(loss)		<u>674,155</u>

The above statement should be read in conjunction with the accompanying notes.

Major Events Gold Coast Pty Ltd
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$
Current assets		
Cash and cash equivalents	4	405,539
Prepayments		<u>2,420</u>
Total current assets		407,959
Non-current assets		
Plant and equipment	5	<u>564,519</u>
Total non-current assets		564,519
Total assets		<u>972,478</u>
Current liabilities		
Trade and other payables	6	144,095
Employee benefits	7	111,292
Lease liabilities	8	<u>4,404</u>
Total current liabilities		259,791
Non-current liabilities		
Lease liabilities	8	<u>38,531</u>
Total non-current liabilities		38,531
Total liabilities		<u>298,322</u>
Net assets		<u>674,156</u>
Equity		
Contributed equity	9	1
Retained earnings		<u>674,155</u>
Total equity		<u>674,156</u>

The above statement should be read in conjunction with the accompanying notes.

Major Events Gold Coast Pty Ltd

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Contributed Equity \$	Retained earnings \$	Total \$
Balance as at 1 July 2019	-	-	-
Proceeds from share issue	1	-	1
Surplus for the year	-	674,155	674,155
Balance as at 30 June 2020	1	674,155	674,156

The above statement should be read in conjunction with the accompanying notes.

Major Events Gold Coast Pty Ltd
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$
Cash flows from operating activities		
Receipts from the Council of the City of Gold Coast		1,252,419
Interest received		118
GST collected from customers		125,242
GST input tax credits from ATO		11,947
Payments to suppliers		(158,974)
Payments to employees		(173,653)
GST paid to suppliers		(70,183)
GST remitted to ATO		(50,000)
Net cash inflow from operating activities	10	<u>936,916</u>
Cash flows from investing activities		
Payments for plant and equipment		<u>(506,378)</u>
Net cash (outflow) from investing activities		(506,378)
Cash flows from financing activities		
Proceeds from share issue	9	1
Lease payments		<u>(25,000)</u>
Net cash inflow from financing activities		(24,999)
Net increase in cash and cash equivalents		<u>405,539</u>
Cash and cash equivalents at end of financial year	4	<u>405,539</u>

The above statement should be read in conjunction with the accompanying notes.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Major Events Gold Coast Pty Ltd is a not-for-profit company limited by shares, incorporated and domiciled in Australia. Major Events Gold Coast Pty Ltd's ultimate controlling entity is the Council of the City of Gold Coast.

Major Events Gold Coast Pty Ltd was incorporated on 14 May 2019. This is the first financial report for the company and accordingly there are no comparative figures.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards cannot be made due to the company applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Except where otherwise stated, these financial statements have been prepared under the historical cost convention.

The financial statements were authorised for issue by the Board of Directors on the date the Directors' Declaration was signed.

(c) Currency and rounding

All balances are stated in Australian dollars and rounded to their nearest dollar.

(d) Critical accounting estimates and judgements

The preparation of the financial statements requires the determination and use of certain critical accounting estimates, assumptions and management judgements about the carrying amounts of assets and liabilities. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following notes:

- Depreciation – Note 1(k)
- Employee benefits – Note 1(m)

(e) Impacts of Coronavirus (COVID-19)

There has been no material impact to transactions and balances in the current financial year due to COVID-19 as Major Events Gold Coast Pty Ltd was not due to commence managed and funded event activities until the 2020-21 financial year.

(f) New and revised Accounting Standards

Certain other Australian Accounting Standards and Interpretations have been issued but are not yet effective and have not been early adopted by the company. These standards are not expected to have a material impact on the company's current or future reporting periods.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Grants, contributions and donations

Where the funding agreement is enforceable and contains sufficiently specific performance obligations, the revenue is recognised when control of each performance obligations is satisfied in accordance with AASB 15 *Revenue from Contracts with Customers*.

Otherwise, the transaction is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the entity. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the entity satisfies its obligations under the grant through construction of the asset. Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the entity.

Goods and services received below fair value

Contributions of goods and services are recognised only if the goods or service would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

(h) Leases

Where the company assesses that an agreement contains a lease, a right-of-use asset and a lease liability is recognised on inception of the lease. Right-of-use assets are included in plant and equipment in the Statement of Financial Position.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate for a similar term with similar security is used.

The company has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks that are readily convertible to known amounts of cash.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and other receivables

Trade receivables and other receivables are recognised at the amounts due at the time of sale or service delivery, that is, the agreed purchase price / contract price. Settlement of these amounts is generally within 30 days from invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment.

Bad debts are written off when identified. No bad debts were written off during the financial year.

(k) Plant and equipment

Recognition and measurement

Plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Items of plant and equipment are fully capitalised provided their value on acquisition exceeds the following thresholds:

<i>Asset class</i>	<i>Threshold</i>
Leasehold improvements	\$5,000
Right-of-use assets	\$5,000

Items with a lesser value are expensed in the year of acquisition.

Depreciation

Plant and equipment are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of depreciable assets are:

<i>Asset class</i>	<i>Useful life</i>
Leasehold improvements	9 years
Right-of-use assets	3 years

The residual values and useful lives of plant and equipment assets are reviewed and adjusted if appropriate on an annual basis.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised as income in profit and loss in the period in which they arise.

(l) Trade and other payables

Trade and other payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase / contract price net of applicable discounts.

Amounts owing are unsecured and are generally settled within 30 days from invoice date.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

Liabilities are recognised for employee benefits such as annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date.

Amounts expected to be settled within 12 months are calculated on current wage and salary levels and include related employee on-costs.

Amounts not expected to be settled are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

The obligations are presented as current liabilities if the company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Superannuation contributions are made by the company to an employee's superannuation fund and are recorded as expenses when incurred.

(n) Financial instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

- (i) Cash and cash equivalents – held at amortised cost
- (ii) Receivables – held at amortised cost
- (iii) Payables – held at amortised cost

The company does not enter into transactions for speculative purposes.

(o) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2020
\$

2. EMPLOYEE BENEFITS

Board remuneration	102,151
Wages and salaries	206,269
Annual leave and long service leave expense	33,833
Superannuation contribution	19,691
Other employee related expenses	3,388
Total	365,332

3. OTHER EXPENSES

Depreciation	9,219
Short-term and low value lease expenses	4,320
Lease liability interest expense	575
Auditor's remuneration for audit of financial statements	10,000
Total	24,114

4. CASH AND CASH EQUIVALENTS

Cash at bank	405,539
Total	405,539

5. PLANT AND EQUIPMENT

Year ended 30 June 2020	Work in progress	Leasehold improvements	Right-of-use assets	Total
	\$	\$	\$	\$
Closing gross value	39,316	467,062	67,360	573,738
Accumulated depreciation	-	(5,477)	(3,742)	(9,219)
Closing net value	39,316	461,585	63,618	564,519
Movements in carrying amounts				
Additions	506,378	-	67,360	573,738
Transfers between asset classes	(467,062)	467,062	-	-
Depreciation expense	-	(5,477)	(3,742)	(9,219)
Closing net value	39,316	461,585	63,618	564,519

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$
6. TRADE AND OTHER PAYABLES	
Trade payables	28,032
Other payables and accruals	116,063
Total	<u><u>144,095</u></u>

7. EMPLOYEE BENEFITS

Current	
Annual leave	62,626
Long service leave	48,666
Total	<u><u>111,292</u></u>

Long service leave entitlements are presented as current liabilities where Major Events Gold Coast Pty Ltd does not have an unconditional right to defer the settlement beyond 12 months, regardless of when the actual settlement is expected to occur.

The following amounts reflect the actual settlement timeframes in which leave is expected to be paid:

Within 1 year	27,512
Later than 1 year	83,780
Total	<u><u>111,292</u></u>

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020
	\$
8. LEASE LIABILITIES	
Current	4,404
Non-current	38,531
Total	42,935

In May 2020, Major Events Gold Coast Pty Ltd entered into a 3-year lease for a building which is used for storage. Lease payments are subject to annual CPI increases and there is no option to renew.

Movement and cash flows

New leases (non-cash)	67,360
Interest expense (non-cash)	575
Cash flows (repayments)	(25,000)
Total	42,935

The following table sets out a maturity analysis of lease liabilities based on contractual cash flows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

Maturity analysis	Within 1 year	1 – 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$
Lease liabilities	4,250	47,260	51,510	42,935
Total	4,250	47,260	51,510	42,935

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$
9. CONTRIBUTED EQUITY	
Issued and paid up capital	
1 ordinary share of \$1 fully paid	1
Total	<u>1</u>
10. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES	
Surplus	674,155
Non-cash items	
Depreciation	9,219
Lease liability interest expense	575
Change in operating assets and liabilities	
(Increase) in prepayments	(2,420)
Increase in trade and other payables	144,095
Increase in employee benefits	111,292
Net cash flows from operating activities	<u><u>936,916</u></u>
11. COMMITMENTS	
Capital commitments	
Capital expenditure contracted for at balance date but not recognised as a liability:	
Leasehold improvements – within 1 year	43,248
Total	<u><u>43,248</u></u>

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Major Events Gold Coast Pty Ltd is not aware of any contingent liabilities or contingent assets as at the date of this report.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

13. RELATED PARTY DISCLOSURES

Major Events Gold Coast Pty Ltd 's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Ultimate controlling entity

The Council of the City of Gold Coast is the ultimate controlling entity.

Transactions with ultimate controlling entity

The following transactions occurred with the Council of the City of Gold Coast:

Year ended 30 June 2020	\$
Grant revenue	1,252,419

The Council of the City of Gold Coast maintains and manages all insurance policies as required by the entity including Directors and Officers, Public Liability and Workers Compensation.

Major Events Gold Coast Pty Ltd operated on premises owned by the Council of the City of Gold Coast for which no consideration was paid for periods during the financial year.

Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Major Events Gold Coast Pty Ltd, being members of the Board and the Chief Executive Officer.

Year ended 30 June 2020	\$
Short term employee benefits	248,585
Post-employment benefits	21,644
Other long-term employee benefits	8,965
Total	279,194

Transactions with key management personnel

During the year, Major Events Gold Coast Pty Ltd engaged a professional services firm that is jointly controlled by a member of the key management personnel. The engagement was tabled with the Board and the total value was \$13,684.

Two members of the key management personnel were reimbursed for expenses paid on behalf of Major Events Gold Coast Pty Ltd during the year totaling \$10,214.

Other related party transactions

Major Events Gold Coast Pty Ltd received a refund on behalf of Surfers Paradise Alliance Ltd of \$14,396.

Broadbeach Alliance Ltd transferred assets and liabilities to Major Events Gold Coast Pty Ltd arising from the transfer of one employee effective 13 November 2019 and was the only employee who had satisfied the requirements to access their long service leave benefit.

Broadbeach Alliance Ltd was reimbursed by Major Events Gold Coast Pty Ltd for operating expenses totalling \$6,758 it paid for on its behalf.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

14. ECONOMIC DEPENDANCY

The continuation of Major Events Gold Coast Pty Ltd is dependent on the ongoing financial commitment from the Council of the City of Gold Coast. For the 2020-21 financial year, the Council of the City of Gold Coast has approved funding of \$9,081,297.

15. EVENTS AFTER THE REPORTING PERIOD

Effective 1 July 2020, Major Events Gold Coast Pty Ltd assumed responsibility for the performance of some of the functions formerly performed by other controlled entities of the Council of the City of Gold Coast, being Broadbeach Alliance Ltd, Surfers Paradise Alliance Ltd, and Connecting Southern Gold Coast Ltd. Assets and liabilities of these entities were also transferred to Major Events Gold Coast Pty Ltd on 1 July 2020 in consideration for the performance of transition services to be undertaken by Major Events Gold Coast Pty Ltd as defined in the transition services agreements.

	Broadbeach Alliance Ltd	Surfers Paradise Alliance Ltd	Connecting Southern Gold Coast Ltd	Total
	\$	\$	\$	\$
Assets				
Cash and cash equivalents	1,217,078	1,075,754	46,376	2,339,208
Trade and other receivables	-	15,011	-	15,011
Inventories	39,280	-	-	39,280
Prepayments	165,183	4,665	7,214	177,062
Plant and equipment	101,762	19,732	4,313	125,808
Total assets	1,523,303	1,115,162	57,903	2,696,369
Liabilities				
Trade and other payables	81,684	197,039	104,516	383,239
Employee benefits	31,219	10,561	10,067	51,847
Total liabilities	112,903	207,600	114,583	435,086
Net assets	1,410,400	907,562	(56,680)	2,261,283

Major Events Gold Coast Pty Ltd is not aware of any contingent liabilities or contingent assets as at the date of this report arising from the transitional services agreements with Broadbeach Alliance Ltd, Surfers Paradise Alliance Ltd and Connecting Southern Gold Coast Ltd.

In response to and as a direct result of the COVID-19 pandemic, a number of managed and funded events scheduled for the 2020-21 financial year may be cancelled or postponed anywhere from 3 to 18 months. Due to a managed event cancellation, prepayments of \$56,750 from Broadbeach Alliance Ltd were written off by Major Events Gold Coast Pty Ltd in September 2020.

In July 2020, Major Events Gold Coast Pty Ltd assumed responsibility for the event funding agreements formerly performed by the Council of the City of Gold Coast to be undertaken as defined in the services and funding agreement being developed. Approximately \$3.8M in event funding agreements across 4 years were novated as well as \$5.3M in event commitments across 5 years.

Major Events Gold Coast Pty Ltd entered into a lease agreement with the Council of the City of Gold Coast for its principal place of business in September 2020. The total amount payable under the lease agreement is \$1,348,047 with an expiry date of 30 June 2029.

Major Events Gold Coast Pty Ltd

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

16. COMPANY DETAILS

Major Events Gold Coast Pty Ltd's registered office and principal place of business is at:

Mezzanine Level, 10 Beach Road, Surfers Paradise, Queensland 4217

Major Events Gold Coast Pty Ltd
DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of Major Events Gold Coast Pty Ltd's financial position as at 30 June 2020 and of its performance for the financial year ended on that date.

(a) there are reasonable grounds to believe that Major Events Gold Coast Pty Ltd will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board



Darryl Kelly
Director



Michael Coe
Director

Date 25.9.20

Date 25.9.20

INDEPENDENT AUDITOR'S REPORT

To the Members of Major Events Gold Coast Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Major Events Gold Coast Pty Ltd (the company).

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

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

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

Other information comprises the information included in the company's directors report for the year ended 30 June 2020 but does not include the financial report and my auditor's report thereon.

The company's directors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with my financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.

- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Melissa Read
as delegate of the Auditor-General

28 September 2020

Queensland Audit Office
Brisbane