

Castlemaine State Festival Ltd

ABN 68 005 488 684

Financial Report - 30 June 2025

Castlemaine State Festival Ltd
Contents
30 June 2025

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Castlemaine State Festival Ltd
Directors' report
30 June 2025

The directors present their report of Castlemaine State Festival Ltd (herein referred to as Castlemaine State Festival) for the year ended 30 June 2025.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Position	Details
Christopher (Chris) Capper		
Abby McClure		
Nicola Reynolds		
Jeanette (Jenny) Ryssenbeek		
Marshall Segan		
John Wellington		
Kelly Read	Secretary	Appointed 22 November 2024
Gary McClure	Chair	Appointed 29 July 2024
Brian Walters		Appointed 31 March 2025
Jane Goodrich		Appointed 31 March 2025
Luke Stokes		Appointed 31 March 2025
Grant Thomas	Treasurer	Appointed 31 March 2025
John Carruthers	Treasurer	Resigned 7 March 2025
Shona Brady	Secretary	Resigned 10 December 2024
William (Bill) Forrest		Resigned 10 December 2024

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. No director or related company has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

Principal activities

The principal activity of the company during the course of the financial year was to promote arts in Victoria through the development and presentation of a biennial multi-arts festival in Castlemaine.

Significant changes

On 26 March 2024, Castlemaine State Festival Ltd entered voluntary administration due to financial challenges stemming from the 2023 festival. Following a creditors' meeting on 7 June 2024, the company entered into a Deed of Company Arrangement (DOCA) to restructure its financial obligations and ensure the continuation of its operations.

The DOCA was successfully completed, and the company exited the arrangement in September 2024. These events represent significant changes in the company's state of affairs during the financial year.

No other significant changes in the company's state of affairs occurred during the financial year.

Operating Result

The operating result for 2025 rests upon the accounting treatment that recognises Good Shed capital funding from government grants and bequests as revenue. The operating result of the company for the financial year was \$1,872,832 (2024: \$260,598), which is inclusive of \$1,822,454 of capital funding relating to the Goods Shed.

The adjusted operating result of the company for the financial year was therefore \$50,378 (2024: deficit of \$113,334).

After balance date events

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

Castlemaine State Festival Ltd
Directors' report
30 June 2025

Meetings of directors

During the financial year, 15 meetings of directors, and 5 meetings of the Finance, Risk and Audit Committee were held. Attendance by each director was as follows:

	Director's meetings		Finance, Risk and Audit Committee meetings	
	Eligible	Attended	Eligible	Attended
Christopher (Chris) Capper	15	14	5	5
Abby McClure	15	13	-	-
Nicola Reynolds	15	13	-	-
Jeanette (Jenny) Ryssenbeek	15	13		
Marshall Segan	15	14	5	3
John Wellington	15	14	-	-
Kelly Read	7	7	-	-
Gary McClure	13	12	3	1
Brian Walters	3	1	-	-
Jane Goodrich	3	3	-	-
Luke Stokes	2	2	-	-
Grant Thomas	3	3	3	3
John Carruthers	12	11	5	5
Shona Brady	8	6	-	-
William (Bill) Forrest	8	6	-	-
Lucy Mayes	1	-	-	-

Indemnification and insurance of directors and officers

The company has agreed to indemnify each officer (director, secretary or employee) out of the assets of the company to the extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company.

Proceedings on behalf of the company

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

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

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2025 the number of members was 43 (2024: 92).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2025 is set out immediately after this directors' report.

Castlemaine State Festival Ltd
Directors' report
30 June 2025


This report is made in accordance with a resolution of directors.

On behalf of the directors



Gary McClure
Chairperson

Dated: 1st DECEMBER 2025


Grant Thomas
Treasurer

AUDITOR'S INDEPENDENCE DECLARATION

Under the *Australian Charities and Not-for-profits Commission Act 2012 Section 60-40*

**To the Directors of
Castlemaine State Festival Ltd.**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of Castlemaine State Festival Ltd. as the lead auditor for the audit of the financial report of Castlemaine State Festival Ltd. for the year ended 30 June 2025, I declare that, to the best of my knowledge, there have been no contraventions of:

- (1) the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (2) any applicable code of professional conduct in relation to the audit.



Bradley Dowsey
Registered Company Auditor # 528899
Accounting & Audit Solutions Bendigo

Dated this 28th day of November, 2025.

Castlemaine State Festival Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	3	14,294	20,288
Other income	3	2,225,599	946,669
Total revenue		<u>2,239,893</u>	<u>966,957</u>
Expenses			
Arts and major event expenses		(5,896)	(13,234)
Depreciation and amortisation expense	4	(106,806)	(108,756)
Employee benefits expense		(147,515)	(289,467)
Finance costs		(3,815)	(4,148)
Insurance		(10,161)	(9,310)
Promotions and marketing		(2,513)	(2,236)
Sponsor/patron donor expenses		(2,782)	(1,042)
Supplies and consumables		(87,573)	(278,166)
Total expenses		<u>(367,061)</u>	<u>(706,359)</u>
Surplus for the year		1,872,832	260,598
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>1,872,832</u></u>	<u><u>260,598</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Castlemaine State Festival Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,500,827	5,980
Trade and other receivables	6	31,356	1,660,478
Investments	7	1,800,000	-
Other assets		13,652	12,198
Total current assets		<u>3,345,835</u>	<u>1,678,656</u>
Non-current assets			
Property, plant and equipment	8	3,405,532	1,681,484
Right-of-use assets	9	48,815	54,665
Total non-current assets		<u>3,454,347</u>	<u>1,736,149</u>
Total assets		<u>6,800,182</u>	<u>3,414,805</u>
Liabilities			
Current liabilities			
Trade and other payables	10	13,682	174,533
Contract liabilities	11	2,690,599	1,413,053
Lease liabilities	12	12,182	11,750
Employee benefits	13	13,405	13,476
Total current liabilities		<u>2,729,868</u>	<u>1,612,812</u>
Non-current liabilities			
Borrowings	14	400,000	-
Lease liabilities	12	49,828	56,429
Employee benefits	13	5,512	3,422
Total non-current liabilities		<u>455,340</u>	<u>59,851</u>
Total liabilities		<u>3,185,208</u>	<u>1,672,663</u>
Net assets		<u>3,614,974</u>	<u>1,742,142</u>
Equity			
Restricted funds reserve		492,948	457,696
Retained surpluses		<u>3,122,026</u>	<u>1,284,446</u>
Total equity		<u>3,614,974</u>	<u>1,742,142</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Castlemaine State Festival Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Restricted funds reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2023	-	1,481,544	1,481,544
Surplus for the year	-	260,598	260,598
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	260,598	260,598
Transfers to/(from) reserves	457,696	(457,696)	-
Balance at 30 June 2024	<u>457,696</u>	<u>1,284,446</u>	<u>1,742,142</u>
	Restricted funds reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2024	457,696	1,284,446	1,742,142
Surplus for the year	-	1,872,832	1,872,832
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,872,832	1,872,832
Transfers to/(from) reserves	35,252	(35,252)	-
Balance at 30 June 2025	<u>492,948</u>	<u>3,122,026</u>	<u>3,614,974</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Castlemaine State Festival Ltd
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,206,944	706,244
Payments to suppliers and employees (inclusive of GST)		(786,430)	(296,429)
Transfer from/(to) administrator		1,660,478	(1,915,136)
Interest received		48,843	71,714
Interest and other finance costs paid		<u>(3,815)</u>	<u>(4,148)</u>
Net cash from/(used in) operating activities	15	<u>5,126,020</u>	<u>(1,437,755)</u>
Cash flows from investing activities			
Redemption of /(investment in) term deposits		(1,800,000)	1,600,000
Payments for property, plant and equipment	8	<u>(1,822,551)</u>	<u>(248,945)</u>
Net cash from/(used in) investing activities		<u>(3,622,551)</u>	<u>1,351,055</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(8,622)</u>	<u>(6,807)</u>
Net cash used in financing activities		<u>(8,622)</u>	<u>(6,807)</u>
Net increase/(decrease) in cash and cash equivalents		1,494,847	(93,507)
Cash and cash equivalents at the beginning of the financial year		<u>5,980</u>	<u>99,487</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,500,827</u></u>	<u><u>5,980</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The financial statements cover Castlemaine State Festival as an individual entity, incorporated and domiciled in Australia.

Castlemaine State Festival is a company limited by guarantee with the principal activity of promoting arts in Victoria through the development and presentation of a biennial multi-arts festival in Castlemaine.

Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures developed by the Australian Accounting Standards Board (AASB) in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. 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. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Statement of compliance

The company does not have 'public accountability' as defined in AASB: *1053 Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060.

Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Going concern

The financial statements have been prepared on a going concern basis, which assumes the company will be able to meet its obligations as and when they fall due.

Castlemaine State Festival achieved an operating surplus totalling \$1,872,832 for the year ended 30 June 2025, however this included capital funding recognised totalling \$1,822,454. The adjusted surplus is therefore much lower, at \$50,378.

Cash and cash equivalents and investments as at 30 June 2025 totalled \$3,300,827 however this includes \$3,067,198 that is held to complete the Goods Shed redevelopment. Therefore, the adjusted cash held for Castlemaine State Festival's operations is \$233,629.

Castlemaine State Festival have working capital totalling \$615,967 as at 30 June 2025, however this includes working capital of \$376,599 that relates to the Goods Shed redevelopment (which relates to \$376,599 of cash received for the Goods Shed has been previously recognised as income in accordance with AASB: *1058 Income of Not-for-Profit Entities* (AASB 1058) which remains unexpended, and is held in a restricted funds reserve. Therefore, the adjusted working capital is \$239,368 as at 30 June 2025.

Whilst there has been an improvement in the financial position of Castlemaine State Festival subsequent to the Deed of Company Arrangement being completed, the Board acknowledges that material uncertainties remain. In particular, Castlemaine State Festival continues to face challenges in managing operational expenditure and in building a sufficient corpus of unrestricted funds to support the planning and delivery of the next festival.

Management has assessed the Castlemaine State Festival's ability to continue as a going concern, taking into account its current financial position, cash flow forecasts, and the timing and reliability of future funding and revenue. Based on this assessment, the Board is satisfied Castlemaine State Festival will be able to meet its obligations as they fall due for at least the next 12 months, and the financial statements have therefore been prepared on a going concern basis.

The Board notes, however, Castlemaine State Festival's ongoing viability depends on the successful delivery of its financial strategies, including maintaining expenditure discipline and generating sufficient operating surpluses to rebuild reserves. These factors create some uncertainty that may cast doubt on Castlemaine State Festival's ability to continue as a going concern, and accordingly this disclosure has been made.

Note 1. Material accounting policy information (continued)

Historical cost convention

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

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is the company's functional currency. The amounts presented have been rounded to the nearest dollar.

Impairment of assets

At each reporting date, tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Comparative figures

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

Note 2. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Impairments of assets

The company assesses impairment at each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Identifying performance obligations under AASB 15

To identify a performance obligation under AASB 15: *Revenue from Contracts with Customers* (AASB 15), the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Determination and timing of revenue recognition under AASB 15

For each revenue stream, the company applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

Lease term and option to extend under AASB 16: Leases

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the company will make.

Note 2. Critical accounting estimates and judgements (continued)

The company determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the company, in addition to the following:

- If there are significant penalties to terminate (or not to extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The company's lease agreement for the Goods Shed originally expired on 31 August 2022. The lease agreement contains two additional options for one further term of five years and a second further term of three years and eight months. The first of these options has been exercised and the Board believe they are reasonably certain to utilise this second option and have therefore included all options in lease calculations.

Borrowing rate under AASB 16

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the company's leases, the company's incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Annual leave

For the purpose of measurement, AASB 119: *Employee Benefits* (AASB 119) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Long service leave calculation

The company assesses the long service leave liability in accordance with the requirements of AASB 119 and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2025. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions). The probability rates have been determined based on management estimate.

Note 3. Revenue and other income

	2025 \$	2024 \$
Revenue from contracts with customers	14,294	20,288
Other income	2,225,599	946,669
	<u>2,239,893</u>	<u>966,957</u>
	2025 \$	2024 \$
(a) Disaggregated revenue		
The company has disaggregated revenue by the nature of revenue and timing of revenue recognition		
Tenancy revenue	10,161	980
Equipment and venue hire	4,133	19,308
Total disaggregated revenue from contracts with customers under AASB 15	<u>14,294</u>	<u>20,288</u>

Castlemaine State Festival Ltd
Notes to the financial statements
30 June 2025

Note 3. Revenue and other income (continued)

Timing of revenue recognition

Services transferred to customers:

Over time	14,294	20,288
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(b) Other sources of income

Government funding	240,100	330,379
Sponsorships and donations	23,000	126,500
Philanthropic support	-	9,800
Patrons program	64,287	28,710
Goods Shed capital funding	1,822,454	373,931
Interest received	54,653	71,714
Other income	21,105	5,635
	<u>2,225,599</u>	<u>946,669</u>

Accounting policy for revenue

Grant Revenue

Recurrent grants are recognised in profit or loss when the company obtains control of the grant as the criteria for the grants are not sufficiently specific so as to recognise the revenue in accordance with AASB 15 and therefore the grant is recognised in accordance with AASB 1058.

Capital Grant Revenue

When the company receives a capital grant, it records a liability if the amount received is more than any related amounts already recorded under other accounting standards (like contributions from owners, lease liabilities, financial instruments, provisions, revenue, or contract liabilities from customer contracts).

The company recognises income in profit or loss when or as the company satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Donations

Donations are recognised when the payment is received.

Note 4. Surplus for the year

	2025 \$	2024 \$
The surplus for the year has been determined after:		
(i) Depreciation and amortisation		
Plant and equipment	17,403	19,592
Leasehold improvements	81,100	81,099
Right-of-use assets	8,303	8,065
Total depreciation and amortisation	<u>106,806</u>	<u>108,756</u>

Note 4. Surplus for the year (continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is available 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 depreciation rates are consistent with the prior period. The depreciation rates are used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	9%
Plant and equipment	25-100%

Note 5. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank	<u>1,500,827</u>	<u>5,980</u>

Note 6. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	27,500	-
Accrued interest	3,856	-
Funds held by Administrators	<u>-</u>	<u>1,660,478</u>
Total trade and other receivables	<u>31,356</u>	<u>1,660,478</u>

Accounting policy for trade and other receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Note 7. Investments

	2025	2024
	\$	\$
Term Deposit	<u>1,800,000</u>	<u>-</u>

Accounting policy for term deposits

Investments include term deposits with original maturities of three months or more. Term deposits are initially measured at fair value and subsequently measured at amortised cost.

Castlemaine State Festival Ltd
Notes to the financial statements
30 June 2025

Note 8. Property, plant and equipment

	2025 \$	2024 \$
Leasehold improvements - at cost	895,726	895,726
Less: Accumulated depreciation	<u>(425,839)</u>	<u>(344,739)</u>
	469,887	550,987
Plant and equipment - at cost	151,611	152,771
Less: Accumulated depreciation	<u>(125,522)</u>	<u>(109,279)</u>
	26,089	43,492
Work in progress	<u>2,909,556</u>	<u>1,087,005</u>
Total property, plant and equipment	<u><u>3,405,532</u></u>	<u><u>1,681,484</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment \$	Leasehold Improvements \$	Works in progress \$	Total \$
Balance at 1 July 2024	43,492	550,987	1,087,005	1,681,484
Additions	-	-	1,822,551	1,822,551
Depreciation expense	<u>(17,403)</u>	<u>(81,100)</u>	<u>-</u>	<u>(98,503)</u>
Balance at 30 June 2025	<u><u>26,089</u></u>	<u><u>469,887</u></u>	<u><u>2,909,556</u></u>	<u><u>3,405,532</u></u>

Accounting policy for property, plant and equipment

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

Note 9. Right-of-use assets

The company leases the Castlemaine Goods Shed from which it conducts its operations. This lease has a term of 60 months, with two options to extend, of 60 months and 44 months. It has been assumed the extensions will be exercised in calculating the right-of-use asset.

	2025 \$	2024 \$
Leased buildings	94,053	93,189
Less: Accumulated depreciation	<u>(45,238)</u>	<u>(38,524)</u>
Total right-of-use assets	<u><u>48,815</u></u>	<u><u>54,665</u></u>

Movements in carrying amounts:

	Leased buildings \$
Balance at 1 July 2024	54,665
Remeasurements	2,453
Depreciation expense	<u>(8,303)</u>
Balance at 30 June 2025	<u><u>48,815</u></u>

Note 9. Right-of-use assets (continued)

Accounting policy for right-of-use assets

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 10. Trade and other payables

	2025 \$	2024 \$
Trade creditors	9,344	62,910
Accrued expenses	1,493	79,801
Amounts payable to the ATO	2,845	31,822
Total trade and other payables	<u>13,682</u>	<u>174,533</u>

Financial liabilities classified as trade and other payables

Total trade and other payables	13,682	174,533
Less amounts payable to ATO	<u>(2,845)</u>	<u>(31,822)</u>
Total financial liabilities classified as trade and other payables	<u>10,837</u>	<u>142,711</u>

Accounting policy for 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.

Note 11. Contract liabilities

	2025 \$	2024 \$
Capital funding in advance	<u>2,690,599</u>	<u>1,413,053</u>

Accounting policy for contract liabilities

The contract liability represents funding received for the Goods Shed Project, where Castlemaine State Festival have not yet fulfilled the associated performance obligations, such as the completion of project milestones.

Income is recognised as Castlemaine State Festival in line with the progression of the project.

Castlemaine State Festival Ltd
Notes to the financial statements
30 June 2025

Note 12. Lease liabilities

	2025 \$	2024 \$
Current		
Leased building	12,182	11,750
Non-current		
Leased building	49,828	56,429
Total lease liabilities	<u>62,010</u>	<u>68,179</u>
	2025 \$	2024 \$
<i>Maturity analysis for lease liabilities</i>		
Payable – minimum lease liability payments:		
- Not later than 12 months	12,511	12,068
- Later than 12 months and not later than five years	50,044	60,341
- Greater than five years	10,426	10,055
- Less future finance charges	<u>(10,971)</u>	<u>(14,285)</u>
Present value of minimum lease liability payments	<u>62,010</u>	<u>68,179</u>

Accounting policy for lease liabilities

The company's lease portfolio includes a leased building. The lease term for this building is 12 years.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability, are as follows:

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date. and
- lease payments under extension options if the lessee is reasonably certain to exercise the options.

Note 13. Employee benefits

	2025 \$	2024 \$
Current		
Provision for annual leave	13,405	13,476
Non-current		
Provision for long service leave	5,512	3,422
Total employee benefits	<u>18,917</u>	<u>16,898</u>

Accounting policy for employee benefits

Short term employee benefits

The current portion for the provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 13. Employee benefits (continued)

Long term employee benefits

The company classifies employees' long service leave as long term employee benefits if they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for long term employee benefits which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations.

Note 14. Borrowings

	2025 \$	2024 \$
Good shed loan	400,000	-

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 15. Cash flow information

	2025 \$	2024 \$
Surplus for the year	1,872,832	260,598
Adjustments for:		
Depreciation and amortisation	106,806	108,756
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,627,668	(1,636,031)
Increase in trade and other payables	239,149	103,384
Increase/(decrease) in contract liabilities	1,277,546	(248,932)
Increase/(decrease) in employee benefits	2,019	(25,530)
Net cash from/(used in) operating activities	5,126,020	(1,437,755)

Note 16. Capital commitments

	2025 \$	2024 \$
Future capital commitment payments due:		
Within one year	2,408,459	43,977

Castlemaine State Festival has total project funding of \$6,000,000 approved in relation to the redevelopment of the Goods Shed, which is funded by the Department of Jobs, Skills, Industry and Regions (DJSIR), formerly the Department of Jobs, Precincts and Regions (DJPR).

In the previous financial year a contract was signed with RP Infrastructure in relation to project management for the initial phase of the Goods Shed redevelopment project.

Castlemaine State Festival Ltd
Notes to the financial statements
30 June 2025

Note 16. Capital commitments (continued)

During the year ended 30 June 2025, Castlemaine State Festival entered into agreements outside of the original contracts. One for the provision of a power upgrade to the Goods Shed by Powercor which will see the expenditure of \$139,769.30 (incl. GST) and another for the provision of a new concrete entrance stairway and landing to the new entry at a cost of \$34,481.81 (incl. GST).

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	2025 \$	2024 \$
Remuneration to the auditors, Accounting & Audit Solutions Bendigo for:		
Audit of the financial statements	5,250	4,500
Other assurance services	600	600
	<u>5,850</u>	<u>5,100</u>

Note 18. Contingent liabilities and contingent assets

The company's directors are not aware of any contingent liabilities or assets at the date of signing this financial report (2024: nil).

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 20. Key management personnel

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

KMPs

Board

Acting Chief Executive Officer (July 2023 – April 2024)

Acting Festival Director (July 2023 – April 2024)

	2025 \$	2024 \$
Remuneration of key management personnel:		
- Short term and post-employment benefits	<u>-</u>	<u>123,338</u>

Note 21. Related party transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 22. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and lease liabilities.

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	2025 \$	2024 \$
Financial assets			
Cash and cash equivalents	5	1,500,827	5,980
Trade and other receivables	6	31,356	1,660,478
Investments	7	1,800,000	-
Bonds		13,652	12,198
Total financial assets at amortised cost		<u>3,345,835</u>	<u>1,678,656</u>
Financial liabilities			
Trade and other payables	10	10,837	142,711
Lease liabilities	12	<u>62,010</u>	<u>68,179</u>
Total financial liabilities at amortised cost		<u><u>3,418,682</u></u>	<u><u>1,889,546</u></u>

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

The company's financial liabilities measured at amortised cost comprise trade and other payables and lease liabilities.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

Castlemaine State Festival Ltd
Notes to the financial statements
30 June 2025

Note 23. Registered office/principal place of business

Registered office

The Goods Shed
21 Kennedy Street
Castlemaine VIC 3450

Principal place of business

The Goods Shed
21 Kennedy Street
Castlemaine VIC 3450

Castlemaine State Festival Ltd
Directors' declaration
30 June 2025

In accordance with a resolution of the directors of Castlemaine State Festival, the directors of the company declare that:

The attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

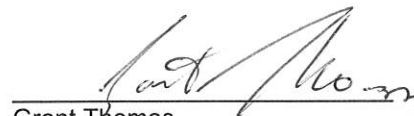
- comply with Australian Accounting Standards – Simplified Disclosures and
- give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the year ended on that date.

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.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

On behalf of the directors


Gary McClure
Chairperson


Grant Thomas
Treasurer

Dated: 1ST DECEMBER 2025

Independent Audit Report to the Members of

CASTLEMAINE STATE FESTIVAL LTD

Unqualified Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Castlemaine State Festival Ltd, which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes comprising a summary of the significant accounting policies and other explanatory information, and the Director's Declaration.

In our opinion, the financial report of the Castlemaine State Festival Ltd has been prepared in accordance with Div. 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 30 June 2025 and of its performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards – AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities and Div. 60 of the Australian Charities and Not-for-Profits Commission Regulation 2022.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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 basis for the opinion.

Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company recorded a net surplus of \$1,872,832 at 30 June 2025, however adjusting for capital revenue of \$1,822,454, results in an adjusted surplus of \$50,378 (adjusted deficit of \$104,025 in 2024). Additionally, although the Company recorded a net surplus in cash from operating activities (deficit in 2024) and an overall increase in cash balances in 2025, these increases were largely due to capital funding received.

These factors, along with other matters as set forth in Note 1 create some uncertainty that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other Than the Financial Report and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities and the the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors 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 Company either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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 on this financial report. As part of an audit in accordance with 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 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 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 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 or continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bradley Dowsey
Registered Company Auditor # 528899
Accounting & Audit Solutions Bendigo

Dated this 28th day of November, 2025.

