

**SunCentral Maroochydore Pty Ltd**

# **ANNUAL REPORT**

# **2022**



**SunCentral<sup>®</sup>**



**ARTIST'S IMPRESSION**

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ARTIST'S IMPRESSION

## Chair's Foreword

As with 2021, this past year has been an historic period in the development of the Maroochydore City Centre.

After many years of planning, civil design and construction, and the earlier opening of our very first office building (Foundation Place), we witnessed the emergence of the authentic mixed-use urban fabric with the completion and opening of the Holiday Inn Express by Proinvest and the Market Lane Residences by the Habitat Development Group. Habitat also commenced construction of its Corso Residences project on Sunshine Coast Parade.

The 'City Hall' by Sunshine Coast Council and 'A-One Maroochydore' the second commercial building by Evans Long, are well-advanced in their construction on First Avenue. Both major buildings are scheduled to open in 2022 and just like Foundation Place, these early-mover projects will help shape the core business precinct, stimulate economic activity and add significantly to the enlivenment of the city centre.

It is notable that the 'A-One' building has attracted the global software company Maropost with the prospect of 200 jobs, in recognition of the dynamic digital connectivity presence at the Maroochydore City Centre by virtue of the sub-sea cable landing station.

With momentum well established, SunCentral and its partners are progressing numerous, exciting 'first-for-region' proposals within the city centre. Such opportunities will not only fulfil the aspirations envisaged when the city centre was first imagined but will deliver tangible and enduring competitive advantage for the Sunshine Coast. Included in these, are two very significant buildings announced for the city centre during the year and has now received development approval – the \$100m Maroochy Private Hospital by Barwon Investment Partners and the first building by Walker Corporation known as 50 First Avenue, an outstanding 11,000m<sup>2</sup> A-grade commercial office building. Also announced during the year was NextDC's investment in the Sunshine Coast sub-sea cable landing station and its data centre commitment to service the city centre and the region.

Inclusive of the Walker Corporation commitments, SunCentral has facilitated over \$3B of current and forward investment commitment to date and this has positioned the city centre as one of the leading urban regeneration projects in Australia.

These are all great outcomes for the Sunshine Coast, and we have reason to be optimistic about both the strong foundations being laid and the long-term benefits of these investments for the future.

Finally, I would like to thank the SunCentral Board, the Chief Executive Officer and his team, and our supportive member (Sunshine Coast Council), for their hard work, perseverance, and collaborative spirit throughout the year.



**Morgan Parker**

**Chair**  
**SunCentral Maroochydore**

# Directors' Report for the Year Ended 30 June 2022

The Directors present their report together with the financial report of SunCentral Maroochydore Pty Ltd (the Company) for the reporting period from 1 July 2021 to 30 June 2022.

## Directors

The Directors of the Company at any time during, or since the end of, the reporting period are:

### Name, qualifications and independence status

#### Mr Morgan Parker

LLB

Chair

Independent Non-Executive Director

### Experience and other directorships

Morgan has more than 27 years' experience as a global real estate investor, developer and banker, completing 60 projects in nine countries worth \$20 billion. He is currently a non-executive director of ASX-listed Garda Property Group, Newcastle Airport, Saudi Entertainment Ventures and an Advisory Board member of UbiPark. Morgan was a founding board member of the Asia Pacific Real Assets Association and served on the Asia board of the International Council of Shopping Centres for a decade. A former Chief Executive Officer, he previously worked for Morgan Stanley, Lendlease, Macquarie Group and Dubai Holding. Appointed as a Director on the SunCentral Maroochydore Board in March 2015 and appointed as Chair in May 2021.

#### Ms Alison Quinn

B.Com

Independent Non-Executive Director

Extensive experience as a senior executive in a range of industries across the corporate and public sectors including banking, finance and property development and has worked in Real Estate since 1994. Current directorships include Uniting Care Qld and BWP Trust (ASX:BWP). Alison is an Advisory Board member for ADCO Constructions, Chair of Investor Advisory Committees for the QIC Property Fund and Shopping Centre Fund and is an Advisory Panel member of Economic Development Queensland. Previous roles include Chief Executive Officer of Retire Australia and past board roles include the Property Council of Australia, Retirement Living Council and Urban Development Institute of Australia. Appointed Director in April 2019.

#### Mr Paul McLean

Independent Non-Executive Director  
Director

Extensive experience in the property and real estate industry through the past 30 years, and formerly, the long-term Chief Executive Officer of Savills Australia. Currently, Chair of the Major Projects and Infrastructure Committee for Mater Group, Advisory Board member for CIQ Private, a member of the Brisbane Archdiocese Building and Property committee, and Chair of Youngcare. Appointed Director in April 2019.

#### Mr Peter Sherrie

Independent Non-Executive Director  
Director

Extensive experience in strategic business development and leading professionals to drive high performing teams and profitability. Currently General Manager of Urbex, a wholly-owned subsidiary of the long-standing national property and construction company, the BMD Group. Current directorships include Andiworth Pty Ltd, Beveridge Land Pty Ltd, Beveridge Property Developers Pty Ltd and Club Mandalay Pty Ltd. Appointed Director in October 2019. Retired in October 2021.

Directors have been in office since the start of the reported period to the date of this report unless otherwise stated.

## Chief Executive Officer

Following his appointment by the Member, Mr John Knaggs took up the position of Chief Executive Officer of SunCentral Maroochydore Pty Ltd, in May 2015. John vacated this position in July 2022.

Ms Amanda Yeates has been appointed Chief Executive Officer and took up the position on 25 July 2022. Amanda is an experienced executive leader and was previously the Deputy Director-General of the Queensland Government's Department of Transport and Main Roads.

## Company Secretary

Mr John Gallagher was appointed to the position of Company Secretary on 19 July 2021.

# Directors' Report for the Year Ended 30 June 2022

## Directors' Meetings

The number of meetings attended by each of the Directors of the Company during the reported period are:

Director	No of full meetings of Directors		No of Committee Meetings	
	A	B	A	B
Mr M B Parker	9	9	2	2
Ms A J Quinn	8	9	2	2
Mr P E McLean	9	9	0	0
Mr P Sherrie	2	2	0	0

A = Number of meetings attended

B = Number of meetings eligible to attend

## Audit, Risk & Remuneration Committee Meetings

The Audit, Risk & Remuneration Committee comprises Ms Quinn and Mr Parker (as Chair).

The meeting is attended by the Company's Chief Executive Officer, Company Secretary and Company Accountant. The purpose of the committee is to provide advice and assistance to the Board in relation to efficient governance and risk management. The Committee achieves its objective by reviewing, advising and making recommendations to the Board on:

- a) the integrity of internal financial management, control and reporting systems;
- b) annual project and operating budget reporting;
- c) annual remuneration of the Chairman, Directors and Chief Executive Officer;
- d) compliance with statutory reporting obligations;
- e) the appointment and performance of the external auditor;
- f) the appointment of an internal auditor;
- g) the adequacy of internal control systems; and
- h) the quality of internal and external reporting of financial and non-financial information.

## Corporate Governance Statement

### Responsibilities

The Directors are responsible to the Member for the performance of the Company in both the short and the long term and seek to balance the sometimes competing objectives in the best interests of the Company as a whole. The Directors draw on relevant corporate governance best practice principles to assist them to contribute to the performance of the Company.

The functions of the Board include:

- To deliver on the aspirations of the Sunshine Coast Regional Council in establishing an identifiable city heart for the wider Sunshine Coast – a contemporary central business district characterised as a high density, transit orientated city centre with a high quality public realm and embedded smart city technology;
- Review and approval of corporate strategies, the annual budget and financial plans;
- Monitoring organisational performance and the achievement of the Company's strategic goals and objectives, as outlined in the Company's Statement of Corporate Intent;
- Monitoring financial performance including approval of the annual financial report and liaison with the Company's auditors;
- Appointment, and assessment of the performance, of the Chief Executive Officer;
- Ensuring there are effective management processes in place and approving major development initiatives;
- Enhancing and protecting the reputation of the Company and the Member;
- Ensuring the significant risks facing the Company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- Reporting to the Member.

# Directors' Report for the Year Ended 30 June 2022

## Board Members

Details of the members of the Board, their qualifications and independent status are set out in the Directors' report under the heading "Directors". The Board operates in accordance with the principles set out in the Company's constitution, including:

- The Board can be a minimum of one (1) and a maximum of ten (10) and currently comprises five (5) Members.
- Subject to the approval of the Member, the Directors may elect a Chair and may determine the period for which the Chair will hold office.

## Objectives

The Company's objectives are to:

1. Promote, facilitate, carry out and control the development, disposal and management of land and other property within the Maroochydore City Centre Project Development Area (MCC PDA);
2. Achieve an appropriate balance between commercial and non-commercial functions and outcomes;
3. Ensure the MCC becomes a high density city centre and identifiable city heart for the wider Sunshine Coast;
4. Accommodate public facilities and entertainment that benefit the general community; and
5. Achieve excellence and innovation in the management of integrated private/public open space and park areas.

## Review of Operations

During the reporting period the company generated income of \$2,910,155 of which \$2,845,122 was provided by the parent entity, Sunshine Coast Regional Council. Development costs incurred in the pursuit of the company's objectives totalled \$862,559. The profit for the Company for the reporting period amounted to \$238,557 (2021: \$18,223).

## Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the reported period.

## Principal Activities

The Company is a special purpose entity established by the Sunshine Coast Regional Council to be responsible for delivering and managing the Maroochydore City Centre (MCC) Priority Development Area (PDA) as part of a 'beneficial enterprise' as defined under the *Local Government Act 2009 (Qld)*. No significant change to the nature of these activities occurred during the year.

## Events Subsequent to the End of the Reporting Period

There are no significant events subsequent to the end of the reporting period.

## Events After the Reporting Period

The Directors are not aware of any significant events after the reporting period.

## Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future reported periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

## Environmental Regulation

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

## Dividends

The Company is an Australian Proprietary Company that is limited by shares. No dividends were paid or declared by the Company during the reported period.

## Directors' Report for the Year Ended 30 June 2022

### Options

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

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

### Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the reported period, for any person who is or has been an officer or auditor of the Company.

### Proceedings on Behalf of 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.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out on page 9.

This report is made with a resolution of the Directors:



Mr. Morgan Parker  
*Chairman*

Dated at Maroochydore this day 19th September 2022



## AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of SunCentral Maroochydore 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 SunCentral Maroochydore Pty Ltd for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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



14 September 2022

David Adams  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

**SunCentral Maroochydore Pty Ltd**  
**Statement of Profit or Loss and other Comprehensive Income**  
**for the Year Ended 30 June 2022**

	Note	2022 \$	2021 \$
<b>Income</b>			
Revenue	4	2,895,861	5,474,236
Investment income	5	14,294	16,843
<b>Total Income</b>		2,910,155	5,491,079
<b>Expenses</b>			
Development costs	6a	862,559	3,620,783
Operating expenses	6b	1,743,876	1,725,019
Depreciation and amortisation	10 & 11	65,162	127,054
<b>Total expenses</b>		2,671,598	5,472,856
<b>Net profit before income tax</b>		<b>238,558</b>	<b>18,223</b>
<b>Net profit for the year</b>		<b>238,558</b>	<b>18,223</b>
<b>Total comprehensive income for the year</b>		<b>238,558</b>	<b>18,223</b>
Profit attributable to:			
Parent Entity		<b>238,558</b>	<b>18,223</b>

**SunCentral Maroochydore Pty Ltd**  
**Statement of Financial Position as at 30 June 2022**

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	1,362,065	1,144,099
Trade and other receivables	8	65,672	127,618
Other assets	9	13,153	18,978
<b>Total Current Assets</b>		<b>1,440,890</b>	<b>1,290,694</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	7,045	12,391
Right of use leased assets	11a	-	95,483
<b>Total Non-Current Assets</b>		<b>7,045</b>	<b>107,874</b>
<b>Total Assets</b>		<b>1,447,935</b>	<b>1,398,568</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	157,303	273,985
Employee benefit provisions	13	310,850	287,875
Lease liability	11b	-	71,328
<b>Total Current Liabilities</b>		<b>468,153</b>	<b>633,189</b>
<b>Non-Current Liabilities</b>			
Lease liability	11b	-	24,155
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>24,155</b>
<b>Total Liabilities</b>		<b>468,153</b>	<b>657,344</b>
<b>Net Assets</b>		<b>979,782</b>	<b>741,226</b>
<b>Equity</b>			
<b>Equity attributable to Parent Entity:</b>			
Share capital	16	500,000	500,000
Retained earnings		479,782	241,226
<b>Total Equity</b>		<b>979,782</b>	<b>741,226</b>

**SunCentral Maroochydore Pty Ltd**  
**Statement of Changes in Equity for the Year Ended 30 June 2022**

	Share Capital (Ordinary)	Retained Earnings	Total
	\$	\$	\$
<b>Balance as at 1 July 2021</b>	500,000	241,225	741,225
<b>Comprehensive income</b>			
Net profit for the year	-	238,558	238,558
<b>Total comprehensive income for the year attributable to members of the parent entity</b>	-	238,558	238,558
<b>Transactions with parent entity, in their capacity as owners, and other transfers</b>	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
<b>Total transactions with parent entity and other transfers</b>	-	-	-
<b>Balance at 30 June 2022</b>	<b>500,000</b>	<b>479,783</b>	<b>979,783</b>

	Share Capital (Ordinary)	Retained Earnings	Total
	\$	\$	\$
<b>Balance as at 1 July 2020</b>	500,000	223,002	723,002
<b>Comprehensive income</b>			
Net profit for the year	-	18,223	18,223
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year attributable to members of the parent entity</b>	-	18,223	18,223
<b>Transactions with parent entity, in their capacity as owners, and other transfers</b>	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
<b>Total transactions with parent entity and other transfers</b>	-	-	-
<b>Balance at 30 June 2021</b>	<b>500,000</b>	<b>241,225</b>	<b>741,225</b>

**SunCentral Maroochydore Pty Ltd**  
**Statement of Cash Flows for the Year Ended 30 June 2022**

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		2,988,049	6,154,763
Cash paid to suppliers and employees		(2,724,561)	(6,161,183)
Interest received		14,294	16,843
Finance costs		-	(153)
<b>Net cash generated from operating activities</b>	18	277,782	10,270
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	-
Acquisition of property, plant and equipment		(1,907)	(6,910)
<b>Net cash used in investing activities</b>		(1,907)	(6,910)
<b>Cash flows from financing activities</b>			
Finance Lease payments		(57,909)	(101,717)
Proceeds from issue of share capital		-	-
<b>Net cash provided by financing activities</b>		(57,909)	(101,717)
Cash and cash equivalents at the beginning of the financial year		1,144,099	1,242,456
Net increase/(decrease) in cash and cash equivalents		217,966	(98,357)
<b>Cash and cash equivalents at the end of the financial year</b>	7	1,362,065	1,144,099

# SunCentral Maroochydore Pty Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2022

### 1. Reporting entity concept

SunCentral Maroochydore Pty Ltd (the Company) is a private company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is 9 Nicklin Way, Minyama Queensland 4575 and the principal place of business is 9 Golf Street, Maroochydore Queensland 4558. The Company's prime purpose is the promotion and development management of the Maroochydore City Centre project on the Sunshine Coast in Queensland. The Company's parent entity is the Sunshine Coast Regional Council.

SunCentral Maroochydore Pty Ltd is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

### 2. New and revised standards effective in the current and future reporting periods

There are no new standards to adopt in the current year.

### 3. Basis of preparation

#### a) General Information and statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements were approved by the Board of Directors on the date shown on the Directors' declaration.

#### b) Reporting period and Comparatives

The financial statements as presented are for the reporting period from 1 July 2021 through to 30 June 2022. The comparative period represents the reporting period from 1 July 2020 to the 30 June 2021.

#### c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except where otherwise stated.

#### d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

#### e) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with the banks.

#### g) Trade and Other Receivables

Trade and other receivables include 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.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when recognised at fair value. Trade receivables are held to collect the contractual cash flows and subsequently measured at amortised cost using the effective interest method.

#### *Impairment of trade receivables*

The simplified approach is used to measure the lifetime expected credit losses for trade receivables. For 2021-22, no impairment has been recognised as the expected credit losses are immaterial.

#### h) Trade and Other Payables

Trade payables are amounts due to customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from the invoice date and are all classified as current.

#### i) Financial instruments

##### 1) Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated.

The Company ceases to recognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company has the following non-derivative financial assets: cash and cash equivalents (refer to Note 7) and receivables (refer to Note 8).

##### 2) Non-derivative financial liabilities

All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company ceases to recognise a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: trade and other payables (refer to Note 12). Such financial liabilities are recognised at fair value plus any directly attributable transaction costs.

# SunCentral Maroochydore Pty Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2022

### 3. Basis of preparation (continued)

#### 3) Compound financial instruments

The Company has not issued any compound financial instruments.

#### 4) Derivative financial instruments, including hedge accounting

The Company holds no derivative financial instruments.

#### j) Property, plant and equipment

##### 1) Recognition and measurement

Items of property, plant and equipment are measured at historic cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as "other income" in the statement of comprehensive income.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

##### 2) Depreciation

Depreciation is recognised in expenses on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Depreciation is recognised on a straight-line basis over the term of the lease for leasehold improvements over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement.

The estimated useful lives for the current and comparative periods are as follows:

##### Classification of Asset

- Office equipment 2 years
- Leasehold improvements 2 years
- Office furniture 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

##### 3) Impairment

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in expenses.

##### k) Leases

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

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

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

##### l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits are presented as current liabilities where the entity does not have any unconditional right to defer settlement beyond 12 months, regardless of when the actual settlement is expected to occur. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

# SunCentral Maroochydore Pty Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2022

### 3. Basis of preparation (continued)

#### 1) Salaries and wages

A liability for salaries and wages is reported in Note 12 within payroll liabilities.

#### 2) Annual leave

A liability for annual leave is reported in Note 13.

#### 3) Long service leave

A liability for long service leave is reported in Note 13.

#### 4) Superannuation

Contributions are made by the entity to each employee's designated superannuation fund and are charged as expenses when incurred.

#### m) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or contract obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### n) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

#### o) Interest Received

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### p) Income tax

The Company is exempt from income tax under section 24AM of the *Income Tax Assessment Act 1936 (ITAA 1936)* on the basis that the Company is a State/Territory Body (STB), by virtue of the fact that the Company's sole shareholder is the Sunshine Coast Regional Council.

#### q) 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 (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### r) Changes in accounting policies

The comparative has been restated for changes to the classification of annual leave entitlements from trade payables to employee benefit provision and for amortisation expense on right-of-use assets from operating expenses to depreciation and amortisation.

There is no net impact on the statement of profit or loss and other comprehensive income and the statement of financial position as a result of retrospective application.



**SunCentral Maroochydore Pty Ltd**  
**Notes to the Financial Statements for the Year Ended 30 June 2022**

<b>4. Revenue</b>	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Development Revenue</b>		
Construction	460,926	2,601,767
Project & Site Management	81,021	496,764
Marketing, Engagement & Partner Attraction	320,612	522,253
Total Development Revenue	862,559	3,620,783
Development Management Fee	2,033,000	1,850,000
<b>Other Income</b>		
Sundry income	302	3,454
	<u>2,895,861</u>	<u>5,474,236</u>

The majority of revenue is provided by the parent entity as reported at Note 19(d).

**5. Investment income**

Investment income for the reporting period consists of the following:

Interest income on bank deposits	14,294	16,843
	<u>14,294</u>	<u>16,843</u>

**6. Expenses**

**a) Development Costs**

Construction	457,442	2,083,877
Marketing, Engagement & Partner Attraction	320,612	522,253
Project & Site Management	81,021	496,764
Master Planning	3,484	484,296
Detailed Design	-	33,594
	<u>862,559</u>	<u>3,620,783</u>

**b) Operating Expenses**

Staff costs	699,103	1,143,718
Contractor / Consultant costs	495,830	22,150
Board & Governance costs	368,381	431,435
Site Monitoring and Maintenance	94,677	-
Premises costs	30,808	41,594
Information Technology & Communication costs	35,136	64,418
General costs	19,771	21,270
Finance costs	170	434
	<u>1,743,876</u>	<u>1,725,019</u>

**7. Cash and cash equivalents**

Cash at bank - unrestricted	1,362,065	1,144,099
<b>Cash and cash equivalents in the statement of cash flows</b>	<u>1,362,065</u>	<u>1,144,099</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 14.

An indemnity amount over cash and cash equivalents has been provided in relation to the Local Government Workcare Bank Guarantee. Refer to Note 21 for further details.

**8. Trade and other receivables**

Trade debtors	112	1,320
GST receivable	30,243	-
Accrued development revenue	33,808	125,675
Interest receivable	1,510	623
	<u>65,672</u>	<u>127,618</u>

The Company's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in Note 14. No collateral is held over trade and other receivables.

**SunCentral Maroochydore Pty Ltd**  
**Notes to the Financial Statements for the Year Ended 30 June 2022**

9. Other assets	2022	2021
	\$	\$
Prepayments	13,153	18,978
	13,153	18,978

**10. Property, plant and equipment**

Details of the Company's property, plant and equipment and their carrying amount are as follows:

Measurement at cost	Office Furniture	Office Equipment	Leasehold Improvements	Total
<b>Asset Values</b>	\$	\$	\$	\$
Opening gross value as at 1 July 2021	58,271	37,821	55,795	151,886
Additions at cost	-	1,907	-	1,907
Disposals	-	-	-	-
<b>Closing gross value as at 30 June 2022</b>	<b>58,271</b>	<b>39,728</b>	<b>55,795</b>	<b>153,793</b>
<b>Accumulated Depreciation &amp; Impairment</b>				
Opening accumulated depreciation balance as at 1 July 2021	48,024	35,677	55,795	139,495
Depreciation expense	4,473	2,780	-	7,253
Depreciation on disposals	-	-	-	-
Closing accumulated depreciation and impairment as at 30 June 2022	<b>52,497</b>	<b>38,457</b>	<b>55,795</b>	<b>146,749</b>
<b>Total book value as at 30 June 2022</b>	<b>5,773</b>	<b>1,271</b>	<b>0</b>	<b>7,045</b>

Measurement at cost	Office Furniture	Office Equipment	Leasehold Improvements	Total
<b>Asset Values</b>	\$	\$	\$	\$
Opening gross value as at 1 July 2020	52,859	45,287	57,113	155,258
Additions at cost	7,340	-	-	7,340
Disposals	(1,928)	(7,466)	(1,318)	(10,712)
<b>Closing gross value as at 30 June 2021</b>	<b>58,271</b>	<b>37,821</b>	<b>55,795</b>	<b>151,886</b>
<b>Accumulated Depreciation &amp; Impairment</b>				
Opening accumulated depreciation balance as at 1 July 2020	35,190	33,440	55,771	124,400
Depreciation expense	14,292	9,703	1,342	25,337
Depreciation on disposals	(1,457)	(7,466)	(1,318)	(10,241)
Closing accumulated depreciation and impairment as at 30 June 2021	<b>48,024</b>	<b>35,677</b>	<b>55,795</b>	<b>139,496</b>
<b>Total book value as at 30 June 2021</b>	<b>10,246</b>	<b>2,144</b>	<b>0</b>	<b>12,391</b>

**11. Right of use of leased assets**

	Buildings	Plant & Equipment	Total
	\$	\$	\$
(a) Right-of-use assets			
Opening balance as at 1 July 2021	55,225	40,259	95,483
Additions	-	-	-
Amortisation	55,225	2,684	57,909
Disposals / derecognition	-	37,575	37,575
<b>Closing balance at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening balance as at 1 July 2020	52,000	14,053	66,053
Additions	82,837	48,310	131,148
Amortisation	79,612	22,105	101,717
Disposals / derecognition	-	-	-
<b>Closing balance at 30 June 2021</b>	<b>55,225</b>	<b>40,259</b>	<b>95,483</b>

**SunCentral Maroochydore Pty Ltd**  
**Notes to the Financial Statements for the Year Ended 30 June 2022**

<b>11. Right of use of leased assets (continued)</b>	<b>2022</b>	<b>2021</b>
	\$	\$
(b) Lease liabilities		
Current	-	71,328
Non-current	-	24,155

From July 2022 the Golf Street lease term is on a month by month basis and therefore no recognition of the lease required.

**12. Trade and other payables**

**Unsecured liabilities:**

Trade creditors	102,403	132,780
Accrued expenditure	18,971	38,910
GST liability	-	21,719
Payroll liabilities	35,929	76,576
Amounts payable to parent entity	-	4,000
	157,303	273,985

**Financial liabilities at amortised cost classified as trade and other payables:**

Trade and other payables:		
- total current	157,303	273,985
Financial liabilities as trade and other payables:	157,303	273,985

The average credit period on trade and other payables (excluding GST payable) is 30 days. No interest is payable on outstanding payables during this period. The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 14.

**13. Employee Benefits Provisions**

Provision for Annual Leave	116,185	103,595
Provision for Long Service Leave	194,665	184,280
	310,850	287,875

**14. Financial instruments**

**a) Financial risk management**

**1) Overview**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**2) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

At the reporting date, there were no significant concerns of credit risk. The Company does not require collateral in respect of trade and other receivables.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure.

	<i>Note</i>		
Cash and cash equivalents	7	1,362,065	1,144,099
Trade and other receivables	8	65,672	127,618
		1,427,737	1,271,716

The Company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

Australia	65,672	127,618
	65,672	127,618

The Company's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

Parent Entity	33,808	125,675
Other	31,864	1,943
	65,672	127,618

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors. Surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

**SunCentral Maroochydore Pty Ltd**  
**Notes to the Financial Statements for the Year Ended 30 June 2022**

**14. Financial instruments (continued)**

Impairment losses

The ageing of the Company's trade receivables at the reporting date was:

	<b>Gross 2022</b>	<b>Impairment 2022</b>	<b>Gross 2021</b>	<b>Impairment 2021</b>
	\$	\$	\$	\$
Not past due	65,672	-	127,618	-
Past due 31 days		-	-	-

**3) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient readily available funds to meet its liabilities when due, under both normal and stressed conditions.

Trade and other Payables

	<b>2022</b>	<b>2021</b>
	\$	\$
- less than 12 months	157,303	273,986
	157,303	273,986

**4) Currency risk**

The Company has no current exposure to foreign currency risk.

**15. Fair Value Measurements**

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis. The fair value of trade and other receivables is assumed to approximate the value of the original transaction, less any allowance for impairment.

**16. Share capital**

Ordinary Shares in issue as at commencement of reporting period	500,000	500,000
On issue at 30 June 2022 - fully paid	500,000	500,000

**a) Ordinary shares**

The sole holder of these shares is entitled to dividends as declared from time to time and are entitled to one vote at general meetings of the Company.

**b) Issue of ordinary shares**

In April 2015, the Company approved the issue of 500,000 \$1 ordinary shares to the Sunshine Coast Regional Council.

**17. Construction contract commitments**

Commitments for construction contracts at the reporting date but not recognised in the financial statements.

Payable - minimum payments:

Not later than 12 months	109,086	381,743
	109,086	381,743

**18. Reconciliation of cash flow from operating activities**

**Cash flows from operating activities**

Net profit / (loss) for the year	238,558	18,223
<i>Adjustments for:</i>		
Depreciation and amortisation	65,162	127,054
<b>Operating surplus before changes in working capital and provisions</b>	303,720	145,277
Change in trade and other receivables	62,831	680,143
Change in prepayments	5,825	332
Change in trade and other payables	(116,683)	(820,109)
Change in provisions and employee benefits	22,975	4,143
Change in accrued interest	(887)	485
<b>Net cash generated from operating activities</b>	277,782	10,271

**SunCentral Maroochydore Pty Ltd**  
**Notes to the Financial Statements for the Year Ended 30 June 2022**

**19. Key management personnel and Related party transactions**

**Related Parties**

The Company's main related parties are as follows:

**a) Parent Entity**

The company is 100% owned by the Sunshine Coast Regional Council (Council) which is the ultimate Parent Entity. The Council and its controlled entities including Unitywater are related parties.

**b) Key management personnel**

The directors and Chief Operating Officer are key management personnel and have the authority and responsibility for planning, directing and controlling the activities of the Company.

Details of key management personnel for the period have been detailed in the Director's Report.

Key management personnel includes the remuneration for all Non-Executive Directors and the Chief Executive Officer, as follows:

<b>Key management personnel compensation (or remuneration)</b>	<b>2022</b>	<b>2021</b>
	\$	\$
Short term employee benefits	707,088	764,546
Post employment benefits	75,188	74,687
Other long term employee benefits	10,385	4,144
	<u>792,661</u>	<u>843,377</u>

Total remuneration for all Non-Executive Directors and the Chief Executive Officer was agreed by the Company's Member in March 2015. The base fee for the Chairperson is \$109,589 per annum. Base fees for other directors are \$63,927 per annum. Directors' base fee cover all Board activities. Directors are entitled to superannuation contributions of 10% of the base fee.

**c) Other related parties**

Other related parties include close family members of key management personnel and entities controlled or jointly controlled by those key management personnel, individually or collectively with their close family members. No transactions with other related parties have occurred in the period.

**d) Transactions with related parties**

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

The following transactions occurred with related parties:

<b>Revenue</b>		
Parent entity - Sales of goods and services	2,845,122	5,433,741
<b>Expenditure</b>		
Parent entity - Purchase of goods and services	-	4,000
<b>Accounts Receivable</b>		
Parent entity - Amount outstanding	33,808	125,675

**20. Auditor remuneration**

Audit of the financial statements by the Auditor-General of Queensland	22,500	25,000
	<u>22,500</u>	<u>25,000</u>

**21. Contingent liabilities**

Details and estimate of maximum amounts of contingent liabilities are as follows:

Indemnity amount provided to the Local Government Workcare Bank Guarantee	16,720	17,990
	<u>16,720</u>	<u>17,990</u>

The Company is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Company has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority cover authority may call on any part of the guarantee should the above circumstances arise.

**22. Economic dependency and going concern**

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Currently, the ability of the Company to continue its operations at current levels is dependant upon future ongoing funding being provided by its parent entity the Sunshine Coast Regional Council. The Directors believe that necessary funding will be forthcoming, and that there are no current indications that the funding arrangements will change.

**23. Events after the reporting period**

No other matters or circumstances have arisen since the end of the reported period 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 the future reporting periods.

## Directors' Declaration for the year ended 30 June 2022

In the opinion of the Directors of SunCentral Maroochydore Pty Ltd (the Company):

- a) the financial statements and notes, set out on pages 3 to 21 are in accordance with the *Corporations Act 2001*, including:
- i) complying with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulation 2001*;
  - ii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Mr. Morgan Parker  
Chairman

**Dated at Maroochydore 19 September 2022**

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Placeholder for Independent Auditors Report