



SunCentral®



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ANNUAL
REPORT



Acknowledgement

SunCentral acknowledges the Sunshine Coast Country, home of the Kabi Kabi peoples, the Traditional Custodians, whose lands and waters we all now share.

We recognise that these have always been places of cultural, spiritual, social and economic significance.

Contents

Chair's foreword	8
Directors' Report	32
Statement of profit or loss and other comprehensive income	37
Statement of financial position	38
Statement of changes in equity	39
Statement of cash flows	40
Notes to the financial statements	41
Directors' Declaration	51







Morgan Parker OAM
SunCentral Board Chair

Chair's Foreword

The past year has been one of continued momentum for Maroochydore City Centre with growth, new opportunities and the celebration of multiple milestones.

Faced with the stiff headwinds of challenging market conditions across the country, our city centre continues to thrive with significant construction activity bucking the general trend.

In partnership with Sunshine Coast Council and Walker Corporation we're proudly delivering the country's largest greenfield CBD development, creating a vibrant, sustainable, and innovative urban hub that sets a benchmark for future city shaping.

This year we've seen the approval of the new masterplan which is both contemporary and responsive to the community it serves. The plan includes a consolidated 6.5 hectare waterway surrounded by more than 10 hectares of open space featuring walking tracks, parks and community space.

The Sunshine Coast's population is forecast to grow to more than half a million in the next twenty years (Shaping SEQ, 2023). Our new masterplan will assist in accommodating this growth with 4,000 new residential apartments and 240,000m2 of commercial and retail space.

This year following local government elections we welcomed Mayor Rosanna Natoli and a team of new and returning Councillors. Our productive relationship with Council continues to be invaluable as we work together with Walker Corporation to create an identifiable city heart for our region. I'd also like to acknowledge former Mayor Mark Jamieson for his contributions in laying a strong foundation for the city centre's success.

We pay our respects to Lang Walker AO, whose passing this year was felt deeply by many. Lang's belief in the Sunshine Coast's bright future and the importance of the Maroochydore City Centre project will be long remembered.

On the construction front we have two significant commercial developments underway, each exceeding 11,000m2. These are the first commercial buildings of this scale on the Sunshine Coast since 2017 and demonstrate the region's robust economic growth and increasing investment appeal.

The new Maroochy Private Hospital represents a \$100 million investment, delivering state-of-the-art medical and teaching facilities with key tenants including the Sunshine Coast Orthopaedic Group, global orthopaedic leaders Medacta International and University of the Sunshine Coast which will be establishing a new 24-bed clinical trial facility, bringing world-class research and cutting-edge treatments to Maroochydore City Centre.

Walker's first commercial offering in the city centre is also taking shape. 50 First Avenue will deliver an impressive 11,500 m2 of premium A-Grade office space, making it one of the largest-ever investments in the Sunshine Coast office market.

Maroochydore City Centre continues to drive the growth of our region. Australian Bureau of Statistics figures show since 2019 the Sunshine Coast has seen a 35% increase in companies employing more than 20 workers, outpacing areas like the Gold Coast, Geelong, Newcastle, and the Hunter. Local businesses with annual turnovers exceeding \$10 million have grown by 38%. These numbers continue to give us confidence about the region's future.

We've recently celebrated the opening of a second residential building in the city centre.

The Corso residences comprise 158 apartments over two towers, adding more than 300 new residents and taking the city's residential population above 600.

Looking ahead to 2025 we anticipate the development momentum to continue with the commencement of the next commercial and residential developments which, on completion, will increase the number of residents to more than 1,400 and workers beyond 2,500.

I would like to acknowledge the contributions of my fellow SunCentral board members Paul McLean and Alison Quinn. This will be my last report as Chair as I step down from the role but continue as a non-executive director. I would like to thank Alison who has served on the board since 2019 and has helped steer the significant progress Maroochydore City Centre has achieved to date. Alison is stepping down from the board and we wish her all the very best.

With the backdrop of the Sunshine Coast being one of Australia's fastest growing economies, SunCentral remains committed to engaging with community, business and government bodies to create continued progress in the city centre and advocate for critical infrastructure to deliver exceptional economic, community, and social benefits for the region.

Morgan Parker OAM
Chair
SunCentral Maroochydore



SunCentral Maroochydore Pty Ltd was established by the Sunshine Coast Council in 2015 to oversee the design and delivery of the new city centre.



SunCentral

SunCentral Maroochydore is dedicated to the success of Maroochydore City Centre.

Operating independently of the Sunshine Coast Council, SunCentral provides strategic and commercial advice to deliver exceptional economic, community, and social benefits.

The strength of SunCentral lies principally in its independent board. Our board members have a wealth of experience across a range of industries and professional skill sets including governance, corporate management, property and infrastructure development.

Decisions of Sunshine Coast Council concerning Maroochydore City Centre are supported by the commercial advice of the SunCentral independent board.

SunCentral's objectives

- Promote and facilitate investment in the Maroochydore City Centre Priority Development Area;
- Ensure that the new CBD becomes a high density city centre and the identifiable city heart for the wider Sunshine Coast;
- Achieve an appropriate balance between commercial and non-commercial functions and outcomes;
- Accommodate public facilities and entertainment that benefit the general community.
- Provide Sunshine Coast Council with independent, commercial strategic advice to support decision-making for the Maroochydore City Centre.





Our partnership

The Maroochydore City Centre Development Agreement between Sunshine Coast Council, SunCentral Maroochydore and Walker Corporation is creating an identifiable city heart for the region.

What we do

Oversight

We facilitate an effective partnership with Council and our development partner, Walker to realise the vision for Maroochydore City Centre.



Advice

We provide Council with independent, strategic and commercial advice.



Connection

We connect people, industries, and businesses to elevate Maroochydore City Centre and unlock its potential.





Our core values



Excellence



Integrity



Sustainability



Inclusivity

New masterplan unveiled

Maroochydore City Centre will be the economic and employment heart of the Sunshine Coast.



10,000 residents over the next 15-20 years



240,000m² of commercial & retail space



4000 new residential apartments



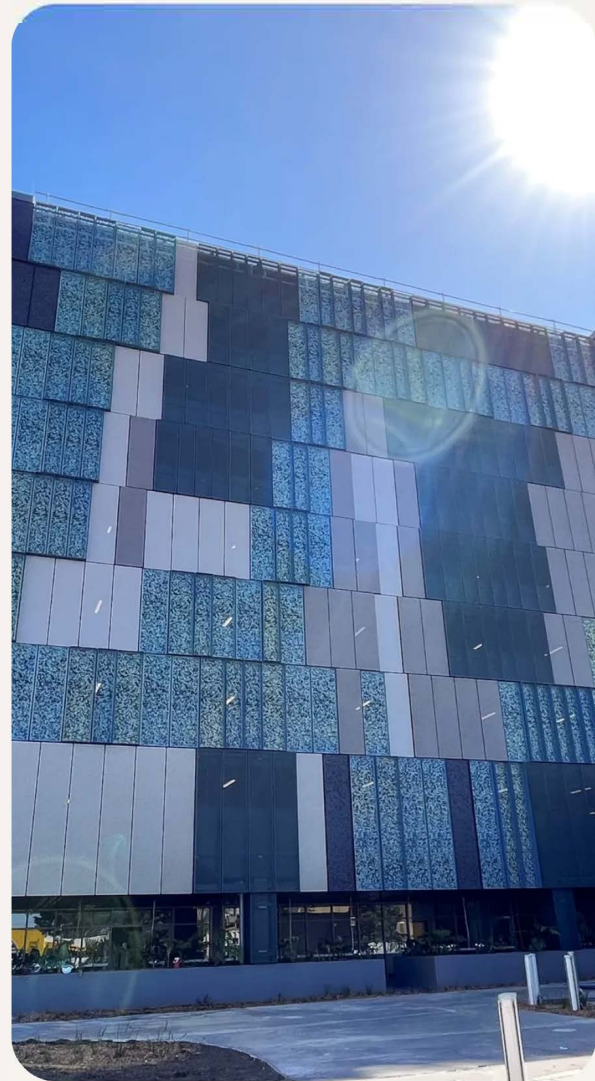
>10 ha of open space & parkland



6.5 ha centralised waterway

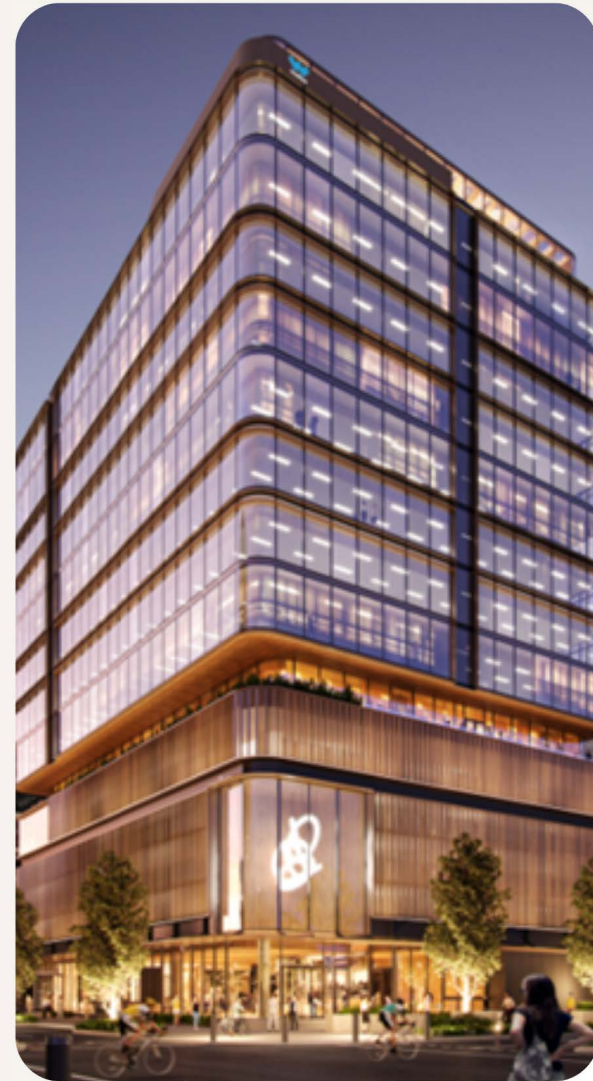
A year of growth

Celebrating our construction milestones



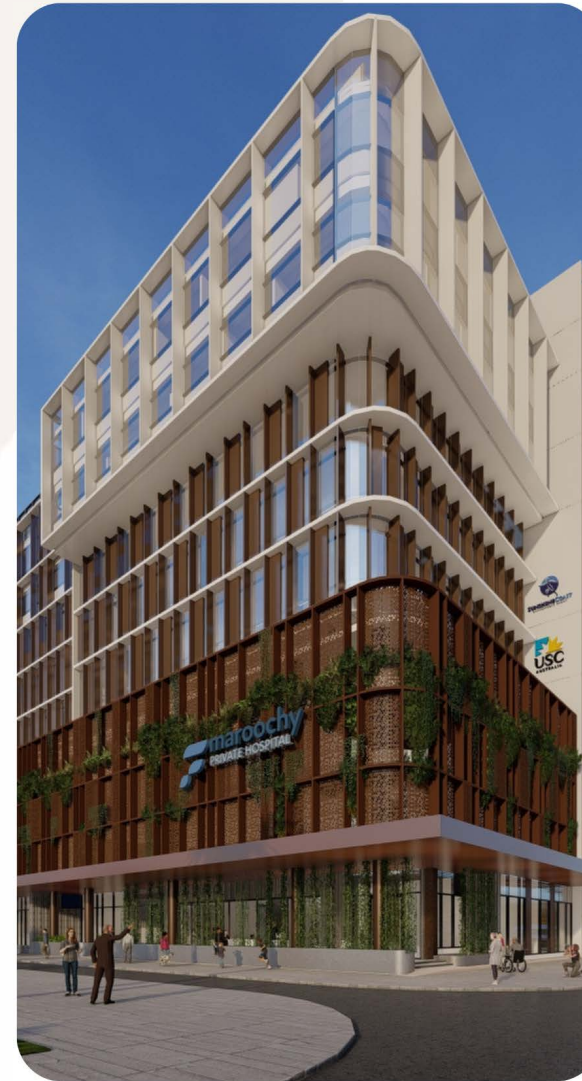
New Multi-Deck Car Park

ParknGo Lightning Lane opened, providing 295 more parking spaces.



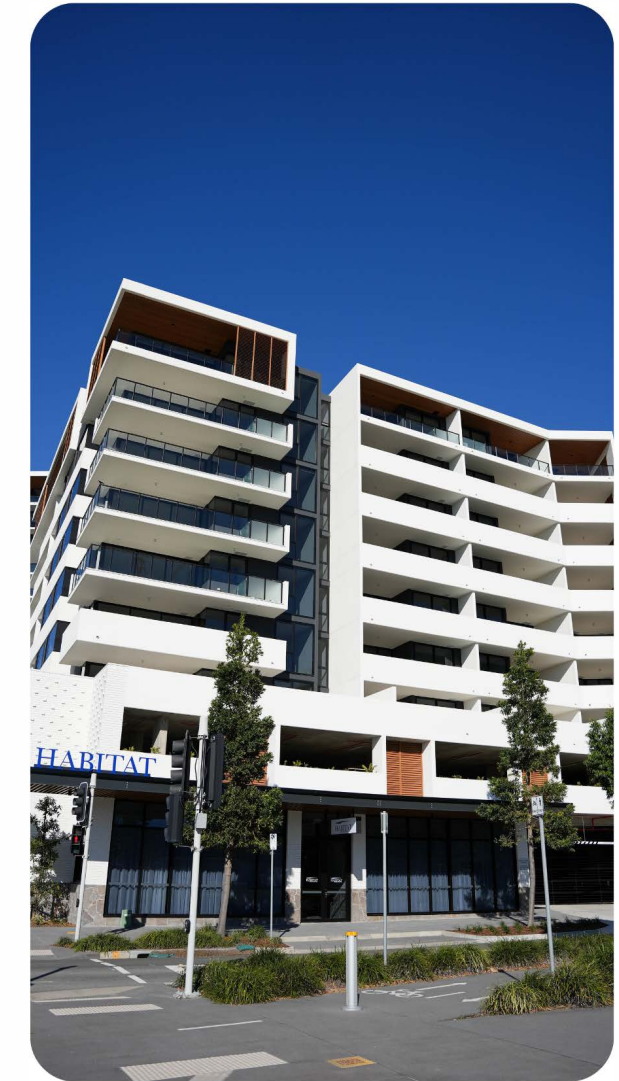
50 First Avenue

Construction underway on Walker's 15-storey Premium Commercial Tower.



Maroochy Private Hospital

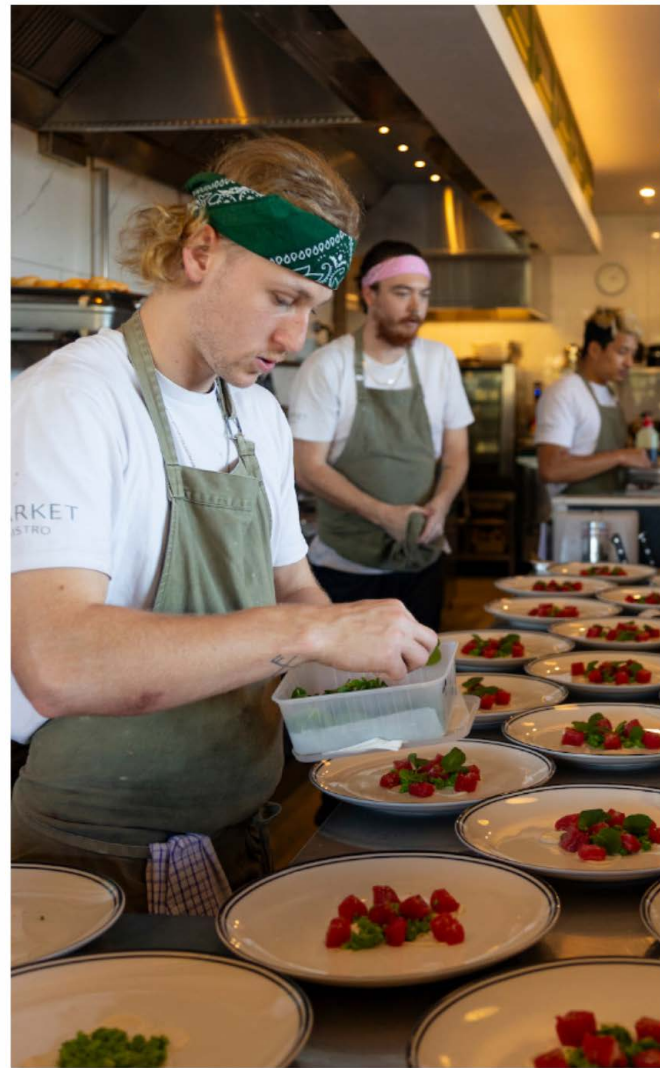
A \$100 million state-of-the-art medical and teaching hub is underway.



'The Corso' Residential Towers

A new two-tower, 15-level residential building has opened, adding 158 apartments.





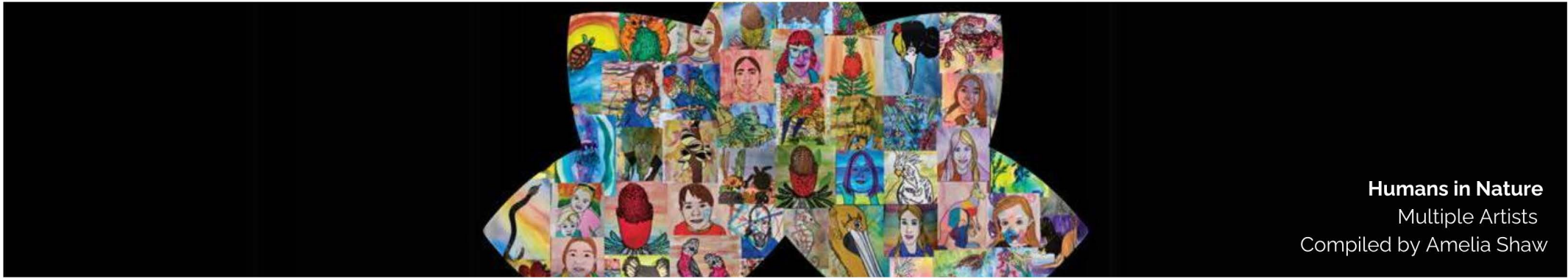
Urban art: Creative hoarding projects



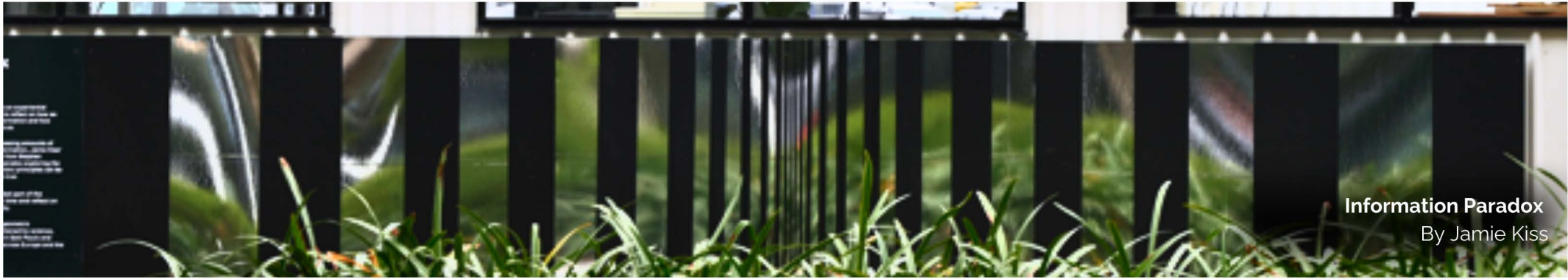
Grandmother's Ngurra
By Mandy Draper



Excited to See You Here
By Kim Tabulo



Humans in Nature
Multiple Artists
Compiled by Amelia Shaw



Information Paradox
By Jamie Kiss

Financial Statements

2023/24

General Purpose Statements for the
year ended 30 June 2024



The directors present their report, together with the financial report of SunCentral Maroochydore Pty Ltd (the Company) for the year ended 30 June 2024.

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

Name, qualifications and independence status	Experience and other directorships
Mr Morgan Parker OAM LLB Chair Independent Non-Executive Director	Morgan has 30 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 Newcastle Airport, Riyadh School of Tourism & Hospitality, Saudi Entertainment Ventures and Qiddiya Coast. Morgan has served on numerous listed, private and industry boards during his two-decade governance career. A former Chief Executive Officer, he previously worked for Morgan Stanley, Lendlease, Macquarie Group and Dubai Holding. Morgan was awarded an Order of Australia in 2024. 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	Alison has extensive experience as a senior executive in a range of industries across the corporate and public sectors including banking, finance, real estate and infrastructure. Current directorships include Uniting-Care Queensland, BWP Trust (ASX:BWP), Ability First Australia, Oak Tree Group and Economic Development Queensland. Alison is also an Advisory Board member for ADCO Constructions. 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	Paul has 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, member of the Strategic Development and Sustainable Infrastructure Committee for Mater Misericordiae, Advisory Board member for CJQ Private, member of the Brisbane Archdiocese Building and Property Committee, and Chair of Youngcare. Appointed Director in April 2019.

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

Chief Executive Officer

Ms Amanda Yeates was appointed Chief Executive Officer 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

Ms Kristine Posthumus was appointed to the position of Company Secretary on 13 January 2023.

Directors' Meetings

The number of meetings attended by each of the directors of the Company during the reporting period are:

Director	No of full meetings of Directors		No of Committee Meetings	
	A	B	A	B
Mr M B Parker	8	8	4	4
Ms A J Quinn	8	8	4	4
Mr P E McLean	8	8	4	4

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 (as Chair), Mr Parker and Mr McLean. The meeting is attended by the Company's Chief Executive Officer and Company Secretary. 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:

- the integrity of internal financial management, control and reporting systems;
- annual operating budget reporting;
- annual remuneration of the Chair, Directors and Chief Executive Officer;
- compliance with statutory reporting obligations;
- the appointment and performance of the external auditor;
- the adequacy of internal control systems; and
- 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 act 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 Company's sole Member, Sunshine Coast Regional Council (SCRC) 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 (SCRC);
- 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 (SCRC).

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 three (3) members.
- The Member may elect a Chair and may determine the period for which the Chair will hold office.

Objectives

The Company's objectives are to:

- a) Facilitate delivery of a world class city centre;
- b) Advocate for Maroochydore City Centre's Vision and the region's future;
- c) Collaborate to strengthen relationships and outcomes; and
- d) Connect locally, nationally and globally to share the Maroochydore City Centre story.

Review of Operations

During the reporting period the company generated income of \$2,759,926 of which \$2,700,566 was provided by the parent entity, Sunshine Coast Regional Council. Development costs incurred in the pursuit of the company's objectives totalled \$15,649. The Company realised a profit of \$5,707 in the reporting period (2023: \$90,863 loss). The retained profits of the company at 30 June 2024 were \$394,626.

Significant Changes in the State of Affairs

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

Principal activities

The Company is a special purpose entity established by the Sunshine Coast Regional Council (SCRC) to be responsible for facilitating establishment of 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 reporting 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 is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Dividends

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

Options

No options over issued shares or interests in the Company were granted during or since the end of the reporting 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 reporting period, for any person who is or has been an officer or 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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001 (Cth)* is set out on page 36.

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



Mr Morgan Parker
Chair

Dated at Maroochydore this day 23 September 2024

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 2024, 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.



David Adams
as delegate of the Auditor-General

23 September 2024

Queensland Audit Office
Brisbane

	Note	2024	2023
		\$	\$
Income			
Revenue	4	2,650,711	2,817,520
Investment revenue		109,215	84,890
Total revenue		<u>2,759,926</u>	<u>2,902,410</u>
Expenses			
Development costs	5	(15,649)	(118,225)
Operating expenses	6	(2,682,339)	(2,845,742)
Depreciation and amortisation expense		(56,231)	(29,306)
Total expenses		<u>(2,754,219)</u>	<u>(2,993,273)</u>
Profit/(loss) for the year attributable to the parent entity of SunCentral Maroochydore Pty Ltd		5,707	(90,863)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the parent entity of SunCentral Maroochydore Pty Ltd		<u>5,707</u>	<u>(90,863)</u>

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

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,028,518	1,023,605
Trade and other receivables	8	32,545	116,658
Other assets		58,780	14,126
Total current assets		<u>1,119,843</u>	<u>1,154,389</u>
Non-current assets			
Property, plant and equipment	9	29,422	26,837
Right-of-use assets	10	76,577	122,928
Security deposits		12,466	12,466
Total non-current assets		<u>118,465</u>	<u>162,231</u>
Total assets		<u>1,238,308</u>	<u>1,316,620</u>
Liabilities			
Current liabilities			
Trade and other payables	11	216,427	278,815
Borrowings		4,897	3,688
Lease liabilities	12	51,254	47,992
Employee benefit provisions	13	35,419	2,152
Total current liabilities		<u>307,997</u>	<u>332,647</u>
Non-current liabilities			
Lease liabilities	14	30,300	79,850
Employee benefits provisions	13	5,385	15,204
Total non-current liabilities		<u>35,685</u>	<u>95,054</u>
Total liabilities		<u>343,682</u>	<u>427,701</u>
Net assets		<u>894,626</u>	<u>888,919</u>
Equity			
Equity attributable to parent entity:			
Share capital	17	500,000	500,000
Retained profits		<u>394,626</u>	<u>388,919</u>
Total equity		<u>894,626</u>	<u>888,919</u>

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

	Share capital (Ordinary) \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	500,000	479,782	979,782
Loss for the year	-	(90,863)	(90,863)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(90,863)	(90,863)
Transactions with parent entity in their capacity as owners, and other transfers			
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Balance at 30 June 2023	<u>500,000</u>	<u>388,919</u>	<u>888,919</u>
	Share capital (Ordinary) \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	500,000	388,919	888,919
Profit for the year	-	5,707	5,707
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	5,707	5,707
Transactions with parent entity in their capacity as owners, and other transfers			
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Balance at 30 June 2024	<u>500,000</u>	<u>394,626</u>	<u>894,626</u>

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

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,025,860	3,096,709
Payments to suppliers and employees (inclusive of GST)		<u>(3,069,789)</u>	<u>(3,467,098)</u>
		(43,929)	(370,389)
Interest received		<u>109,215</u>	<u>84,890</u>
Net cash from/(used in) operating activities	19	<u>65,286</u>	<u>(285,499)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(13,280)	(24,512)
Payments for security deposits		<u>-</u>	<u>(12,466)</u>
Net cash used in investing activities		<u>(13,280)</u>	<u>(36,978)</u>
Cash flows from financing activities			
Repayment of borrowings		1,209	3,688
Repayment of lease liabilities		<u>(48,302)</u>	<u>(19,671)</u>
Net cash used in financing activities		<u>(47,093)</u>	<u>(15,983)</u>
Net increase/(decrease) in cash and cash equivalents		4,913	(338,460)
Cash and cash equivalents at the beginning of the financial year		<u>1,023,605</u>	<u>1,362,065</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,028,518</u></u>	<u><u>1,023,605</u></u>

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

Note 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 and principal place of business is Level 1, 5 Plaza Parade, 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.

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

There are no new or revised accounting standards effective in the reporting period ending on 30 June 2024 that have a material effect on the financial statements. The company has not early adopted any changes to the Australian Accounting Standards.

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 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 2023 through to 30 June 2024. The comparative period represents the reporting period from 1 July 2022 to 30 June 2023.

c) Basis of measurement

The financial statements have been prepared under the historical cost convention, except where otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

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 1 July 2023 to 30 June 2024, no impairment has been recognised as the expected credit losses are immaterial.

Note 3. Basis of preparation (continued)

h) Trade and Other Payables

Trade payables are amounts due to suppliers for goods purchased or services received 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

(i) 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).

(ii) 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 11). Such financial liabilities are recognised at fair value plus any directly attributable transaction costs.

j) Property, plant and equipment

(i) 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 or 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.

(ii) Depreciation

Depreciation is recognised in expenses on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Classification of Asset

- Office equipment 2 - 7 years
- Office furniture 7 - 20 years

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

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

Note 3. Basis of preparation (continued)

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 a 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. The carrying amounts of right-of-use assets and lease liabilities are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

l) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. 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.

Long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

m) Revenue recognition

Development Management Fee is income derived from the parent entity, corresponding to the expected costs to be incurred by the company in managing the delivery of the Maroochydore City Centre. This revenue is received annually and recognised on a monthly basis over the period to which the fee relates.

All other 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.

n) 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.

o) 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.

p) Goods and services tax (GST)

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

Note 4. Revenue

	2024 \$	2023 \$
Development revenue	8,105	118,225
Development management fee	2,624,706	2,624,705
	<u>2,632,811</u>	<u>2,742,930</u>
Other Income		
Partnership & programming revenue	-	61,314
Sundry income	17,900	13,276
	<u>17,900</u>	<u>74,590</u>
	<u>2,650,711</u>	<u>2,817,520</u>

The majority of revenue is provided by the parent entity as reported at note 20.

SunCentral's revenue decreased in the 2024 financial year following the ongoing transition to operating conditions under the MCC Development Agreement. Once fully realised in the 2025 financial year, these changes will see development revenue cease entirely and partnership and program revenue continue to decrease as a result of the city activation function transitioning to Walker Corporation.

Note 5. Development costs

	2024 \$	2023 \$
Construction	-	96,578
Marketing, engagement & investment attraction	-	180
Site & project expenses	15,649	21,467
	<u>15,649</u>	<u>118,225</u>

Note 6. Operating expenses

	2024 \$	2023 \$
Board governance costs	354,482	368,181
Finance costs	4,933	3,052
General costs	32,211	35,330
Information technology & communication costs	32,445	29,921
Marketing & engagement	245,302	319,803
Premises costs	34,878	86,294
Professional services & advisory	692,704	1,146,188
Site monitoring & maintenance	137,895	135,424
Staff costs	1,147,489	721,549
	<u>2,682,339</u>	<u>2,845,742</u>

Note 7. Current assets - cash and cash equivalents

	2024 \$	2023 \$
Cash at bank - unrestricted	<u>1,028,518</u>	<u>1,023,605</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 15. An indemnity amount over cash and cash equivalents has been provided in relation to the Local Government Workcare Bank Guarantee. Refer to note 22 for further details.

Note 8. Current assets - trade and other receivables

	2024 \$	2023 \$
Trade debtors	681	36,138
Interest receivable	4,963	4,909
GST receivable	26,901	75,611
	<u>32,545</u>	<u>116,658</u>

The Company's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in note 15. No collateral is held over trade and other receivables.

Note 9. Non-current assets - property, plant and equipment

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

Measurement at cost

	2024 \$	2023 \$
Office furniture	10,035	15,366
Less: Accumulated depreciation on office furniture	(1,480)	(2,762)
	<u>8,555</u>	<u>12,604</u>
Office equipment	32,991	20,210
Less: Accumulated depreciation on office equipment	(12,124)	(5,977)
	<u>20,867</u>	<u>14,233</u>
Total book value	<u>29,422</u>	<u>26,837</u>
Note 10. Non-current assets - right-of-use assets		
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Buildings - right-of-use	149,528	147,514
Less: Accumulated depreciation on right-of-use assets	(72,951)	(24,586)
	<u>76,577</u>	<u>122,928</u>

There were no additions to the right-of-use assets during the year. Adjustments to the right-of-use assets due to re-measurement of the lease liability were \$2,013.

Note 11. Current liabilities - trade and other payables

Unsecured liabilities:

	2024 \$	2023 \$
Deferred revenue	66,895	-
Trade creditors	58,815	244,440
Accrued expenditure	52,680	25,725
Payroll liabilities	38,037	8,650
	<u>216,427</u>	<u>278,815</u>

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

Trade and other payables:

	2024 \$	2023 \$
Current trade and other payables	216,427	278,815
Financial liabilities as trade and other payables:	<u>216,427</u>	<u>278,815</u>

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 15.

Note 12. Current liabilities - lease liabilities

	2024 \$	2023 \$
Lease liability	<u>51,254</u>	<u>47,992</u>

Refer to note 15 for further information on financial instruments.

Note 13. Current and Non-current liabilities - Employee benefit provisions

	2024 \$	2023 \$
Provision for annual leave	<u>35,419</u>	<u>2,152</u>

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2024 \$	2023 \$
Provision for long service leave	<u>5,385</u>	<u>15,204</u>

Note 14. Non-current liabilities - lease liabilities

	2024 \$	2023 \$
Lease liability	<u>30,300</u>	<u>79,850</u>

Refer to note 15 for further information on financial instruments.

Note 15. Financial instruments

Financial risk management

a) Overview

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) 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.

b) 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 because the primary trade receivable is with the Sunshine Coast Regional Council. 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.

	2024 \$	2023 \$
Cash and cash equivalents	1,028,518	1,023,605
Trade and other receivables	32,545	116,658
	<u>1,061,063</u>	<u>1,140,263</u>

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

Australia	32,545	116,658
	<u>32,545</u>	<u>116,658</u>

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

Parent entity	-	36,138
Other	32,545	80,520
	<u>32,545</u>	<u>116,658</u>

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-.

Impairment losses

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

	Gross 2024 \$	Impairment 2024 \$	Gross 2023 \$	Impairment 2023 \$
Not past due	32,545	-	116,658	-
Past due 31 days	-	-	-	-

Note 15. Financial Instruments (continued)

c) 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.

The following table summarises the contractual maturities of financial liabilities, including estimated interest payments.

Trade and other payables

	2024 \$	2023 \$
- less than 12 months	<u>216,427</u>	<u>278,815</u>

Lease Liabilities

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

	0 - 12 months \$	1-5 years \$	> 5 years \$	Total \$	Total per statement of financial position \$
2024	53,808	30,737	-	84,545	81,554
2023	51,620	81,039	-	132,659	127,842

Refer to note 12 and note 14 for further information

d) Market risk

The entity is not exposed to any significant price, interest rate or foreign currency risk since the entity does not trade in foreign currencies or have any borrowings. Market risk is considered immaterial due to the entities the Company deals with.

e) Currency risk

The company has no exposure to foreign currency risk.

Note 16. Fair value measurement

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.

Note 17. Equity - share capital

	2024	2023
Ordinary shares in issue at commencement of reporting period	<u>500,000</u>	<u>500,000</u>
On issue at 30 June 2024 - fully paid	<u>500,000</u>	<u>500,000</u>

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.

Note 18. Construction contract commitments

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

	2024 \$	2023 \$
Payable - minimum payments: Not later than 12 months	<u>-</u>	<u>10,728</u>

Note 19. Reconciliation of cash flow from operating activities

Cash flows from operating activities

	2024 \$	2023 \$
Profit/(loss) for the year	5,707	(90,863)
Adjustments for:		
Depreciation and amortisation - fixed assets	7,866	4,720
Depreciation and amortisation - leases	48,365	24,586
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	151,589	(50,986)
Increase in prepayments	(44,654)	(973)
Increase/(decrease) in trade and other payables	(127,036)	121,511
Increase/(decrease) in employee provisions	23,449	(293,494)
Net cash from/(used in) operating activities	<u>65,286</u>	<u>(285,499)</u>

Note 20. 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 Executive 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 Directors' Report. *Key management personnel remuneration includes all non-executive directors and the Chief Executive Officer, as follows:*

Key management personnel remuneration

	2024 \$	2023 \$
Short-term employee benefits	629,533	578,671
Post-employment benefits	68,347	64,144
Other long-term employee benefits	2,888	1,171
	<u>700,768</u>	<u>643,986</u>

Total remuneration for all non-executive directors was agreed by the Company's Member in March 2015. The base fee for the Chair 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 at the statutory rate.

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:

	2024 \$	2023 \$
Revenue		
Parent entity - Development revenue, management fee and rent	<u>2,700,566</u>	<u>2,755,171</u>

Accounts Receivable

Parent entity - Amount outstanding	<u>-</u>	<u>36,138</u>
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Note 21. Auditor remuneration

	2024 \$	2023 \$
Audit of the financial statements by the Auditor-General of Queensland	<u>25,250</u>	<u>23,100</u>

Note 22. Contingent liabilities

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

	2024 \$	2023 \$
Indemnity amount provided to the Local Government Workcare Bank Guarantee	<u>18,689</u>	<u>15,557</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 may call on any part of the guarantee should the above circumstances arise.

Note 23. 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. The ability of the Company to continue its operations at current levels is dependent upon future receipt of the Development Management Fee paid by the parent entity, the Sunshine Coast Regional Council. The Directors believe that future development fees will be forthcoming, and that there are no current indications that the current arrangement will change.

Note 24. Events after the reporting period

No other matters or circumstances have arisen since the end of the reporting 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.

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

- the financial statements and notes, set out on pages 31 to 50 are in accordance with the *Corporations Act 2001*, including:
 - complying with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulation 2001*;
 - giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- 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 directors:

On behalf of the directors



Mr Morgan Parker
 Chair

Dated at Maroochydore this day 23 September 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of SunCentral Maroochydore Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of SunCentral Maroochydore Pty Ltd

The financial report comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the Directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards.

Basis for opinion

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

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) included in SunCentral Maroochydore Pty Ltd's annual report.

Those charged with governance are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.



David Adams
as delegate of the Auditor-General

30 September 2024

Queensland Audit Office
Brisbane



SunCentral®

