

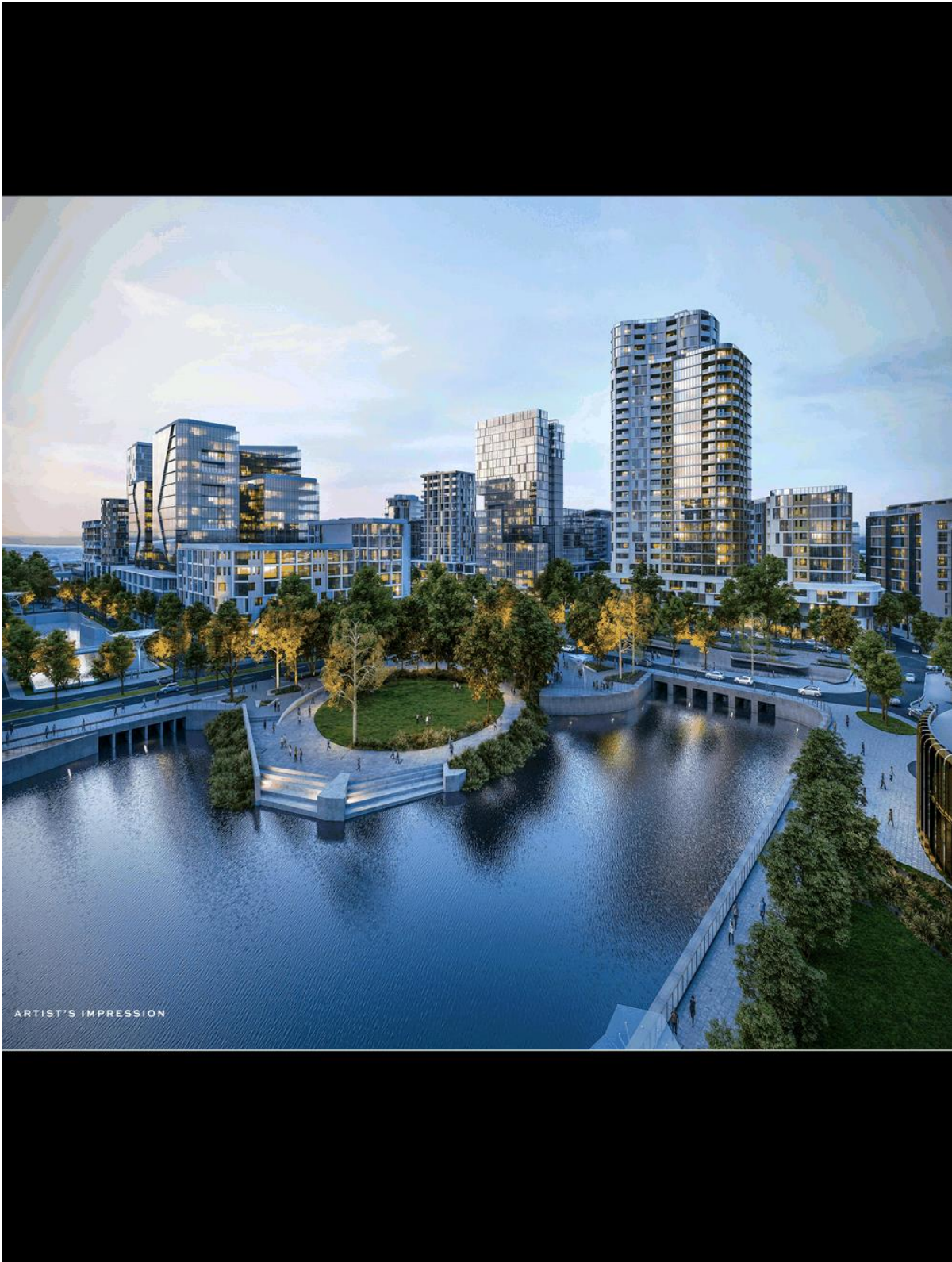


ANNUAL REPORT

2020



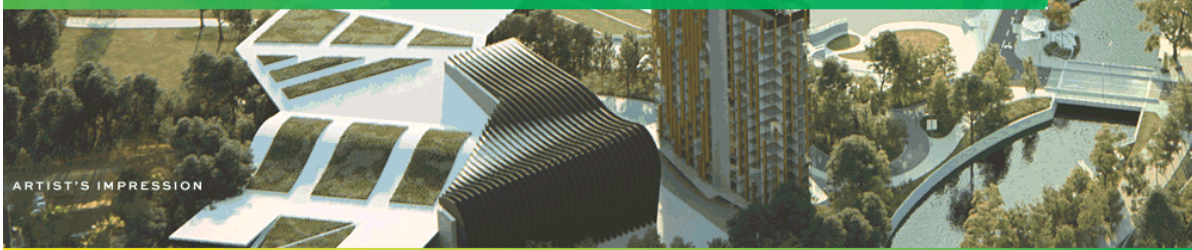
SunCentral Maroochydore Pty Ltd | A.B.N. 92 603 652 231 | 30 June 2020



ARTIST'S IMPRESSION

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CHAIRMAN'S FOREWORD



The past twelve months has proven to be a watershed year for the Maroochydore city centre project, with a number of major construction milestones achieved while exciting plans have been revealed for the future.

The past twelve months has proven to be a watershed year for the Maroochydore city centre project, with a number of major construction milestones achieved while exciting plans have been revealed for the future.

In early August the hoarding came down around the perimeter of the first stage of the project as we marked the opening of Stage 1A with an event attended by thousands of people who walked and cycled around the streets to inspect the MET precinct, Foundation Square parklands and learn more about the future plans for the city centre.

Local developer Evans Long commenced construction of the first commercial building 'Foundation Place' and over the past year the construction and leasing have progressed with level six of the eight storey building recently completed and 65% of the building committed to tenants before its expected completion in late 2020.

Meanwhile Habitat Development Group have earmarked July 2020 as the commencement date for their 'Market Lane Residences' apartment development; and the Sunshine Coast Regional Council confirmed that their City Hall building would commence construction in the following month. Pro-invest's 167 room business hotel Holiday Inn Express is expected to commence construction in late 2020.

The next stage civil construction work is also well advanced with the installation of the final section of the underground automated waste collection system connecting Stage 1 to Council's Collection Station off Carnaby St., along with the completion of the 210-space interim at-grade car park.

These combined construction activities within Stage 1 of the project is beginning to generate a life of its own and this auger well for future investment within the project.

The Invitation for Expressions of Interest targeting Tier 1 capital funds and development entities to partner the staged development of the balance of the project, generated submissions from a number of parties with dialogue continuing through the year. The successful entities will be selected on their ability to increase the level of investment in the project and assist in guiding future project staging and end-user attraction.

During the year we bid farewell to inaugural board member Don Boyd who was replaced by Peter Sherrie, Peter has a long and successful career in the development industry, and we welcome his expertise to our board. We thank Don for his significant contribution to SunCentral and we wish him well in his future endeavours.

The local Government elections were held in April 2020 and we congratulate Mayor Mark Jamieson on his appointment for his third term in office along with his new and re-elected councillors. We thank the Sunshine Coast Regional Council for their continuing support as we work towards delivering the city centre project for current and future generations of Sunshine Coast residents.



Dr Doug McTaggart
Chairman, SunCentral Maroochydore

CEO'S FOREWORD



The Maroochydore City Centre's bold vision began to emerge over the past year with significant milestones achieved as we work towards our long-term objective of delivering one of south-east Queensland's largest urban regeneration projects.

The Maroochydore City Centre's bold vision began to emerge over the past year with significant milestones achieved as we work towards our long-term objective of delivering one of south-east Queensland's largest urban regeneration projects.

The completion of important civil works in Stage 1 along with the emergence of Foundation Place and the connection of the international subsea cable into Maroochydore marks the beginning of our region's transformation both economically and socially and these benefits will continue for many years to come.

The long-term impact of the Covid-19 pandemic remains unclear and I thank our development partners, contractors, suppliers, staff and consultants who have maintained a safe work environment during this time. We are committed to working with all of our stakeholders to ensure that health and safety is our main priority.

The SunCentral board led by Dr Doug McTaggart deserve much credit for their stewardship during these challenging times. The collective experience of the board has been invaluable as we navigate a number of complex matters across the project.

The SunCentral staff, project consultants, specialists, contractors and suppliers have all played a pivotal role in ensuring the project remains well placed into the future. I thank them all for their ongoing commitment to deliver this unique project.

The next twelve months will prove to be another exciting year for the city centre project. Along with the construction of the first four buildings, we are working towards finalising the remaining commercial contracts in Stage One and progressing the important outcomes from the Invitation for Expressions of Interest for the balance of land.

A handwritten signature in black ink, appearing to be 'J. Knaggs', written over a horizontal line.

Mr John Knaggs
CEO, SunCentral Maroochydore

FUTURE PROSPECTS

2020/21

- Completion of the installation of the final underground automated waste collection system pipework connection for Stage 1
- Construction commencement of Council's City Hall, Habitat's 'Market Lane' and the 'Holiday Inn Express' buildings (Stage 1A)
- Commencement of early stage civil works within the southern precincts
- Finalisation of the assessment of submissions received as part of the Invitation for EOI for balance land precincts



TOP STORIES: 2019-20

Stage 1A of Sunshine Coast Council's highly anticipated new Maroochydore City Centre site will officially open to the public next week.



Join us to explore, engage and celebrate the pedestrian-only opening of Stage 1A.

Visitors can walk, cycle and explore the first section of the new Maroochydore City Centre site and participate in a range of activities and events for all ages.

MAROOCHYDORE CITY CENTRE
PEOPLE'S DAY
SATURDAY 10 AUGUST
 Corner First Ave and Aerodrome Rd Maroochydore



Visitors are invited to pack a picnic and rug to enjoy with family and friends during the evening performance.

VIEW THE FULL PROGRAM
maroochydore-city.com.au/city-activation

Presented by  SunCentral |  Sunshine Coast Council



COMMERCIAL property

LIVE UPSTAIRS, WORK DOWNSTAIRS

A Brisbane property development company has earmarked the new Maroochydore city centre for a mixed-use project set to change the commercial and residential landscape of the Sunshine Coast.

The 180-million commercial and residential project by Habitat Development Group includes the Inland Office+Home Office (SOHO) townhouses, to be built on part of a 4.58-acre parcel of land in the new CBD.

Habitat Development Group managing director Oughden Clark says the three-story SOHOs will introduce a new form of commercial and residential space never seen before on the Sunshine Coast.

"Each of these SOHOs will have non-residential space downstairs, with street frontage, that can be used for an office, shop, food and drink outlet or other kind of business," Mr Clark says.

"There will be a mezzanine level that could be used for operational parts of a business – the staff kitchenette, photocopyers or private office.

"Upstairs will be residential. They are designed to have the efficiency of an office with the comfort of a home."

Mr Clark says interest in the SOHOs has been "quite incredible".

"We have received numerous inquiries from potential tenants about the town houses," he says.

"SOHOs provide the perfect combination of work and home in one property"

"This region is home to a significant number of small businesses and start-ups and the SOHOs provide the perfect combination of work and home in one property."

Habitat Development Group's project will also be the first residential development in the new Maroochydore CBD, offering 152 units across two towers, as well as the SOHOs.

SunCentral Maroochydore chief executive officer John Kruggs says the Habitat Development Group project showcases the type of urban design and innovation the new CBD will deliver.

"Habitat Development Group recognised early on the Maroochydore City Centre will be a place that people will want to live and work," he says.

"I expect demand from owner-occupiers and investors to be strong, not just for the SOHOs but the residential and retail space as well."

For more information, contact Michael Schenk on 0479 154 120.

CABLE CAPABILITIES



More than 130 local businesses attended a recent Sunshine Coast Business Council conference to learn more about the international subsea cable, which will connect to a landing station at the entrance of the new Maroochydore city centre.

"The subsea cable will provide the fastest data connection to Asia from the east coast of Australia"

SunCentral Maroochydore chief executive officer John Kruggs says the new CBD will be one of the most digitally advanced city centres in the country's with the subsea cable expected to be operational in 2020.

"The subsea cable will provide the fastest data connection to Asia from the east coast of Australia," Mr Kruggs says.

"It has generated strong interest from a commercial leasing perspective, as the business world becomes increasingly digitised and companies look for reliable, seamless global connectivity."

Mr Kruggs says the new CBD also has more than \$10 million in underground telecommunications and data infrastructure, enabling smart city technologies for businesses, residents and the broader community.

FINAL WORD
 A new form of commercial-residential space never seen before on the Sunshine Coast.

TOP STORIES: 2019-20



COMMERCIAL
property

Artist's Impression

GLOBAL HOTEL OPERATOR STAKES CLAIM IN MAROOCHYDORE CBD

The Maroochydore City Centre has been selected as the location for a new international four-star business hotel on the Sunshine Coast in a strong vote of confidence for the emerging CBD.

Leading Australian hotel investment and development company Pro-Invest has confirmed it will develop and operate a

nine-storey Holiday Inn Express & Suites hotel in the heart of the new Maroochydore CBD.

SunCentral Maroochydore chief executive officer John Knaggs says the opening of the new Holiday Inn Express & Suites next year will coincide with the launch of the Sunshine Coast Airport's new international runway in 2020.

"The hotel opening will also align with the new international submarine broadband cable, which will provide the fastest data and telecommunications connection to Asia from the east coast of Australia from next year," Mr Knaggs adds.

"It is a testament to the growth and investment in this region that a leading firm like Pro-Invest has identified the commercial opportunities on offer in the new Maroochydore CBD.

"The Sunshine Coast is already the second fastest growing local government area in Queensland after Ipswich - ahead of the Gold Coast - and commercial commitments like this will ensure the region continues to thrive."

Mr Knaggs says Pro-Invest has made an astute investment from a brand and visibility point of view, locating the hotel at the gateway to the city centre so it would be one of the first buildings visitors to the CBD would see.

Pro-Invest has applied to Economic Development Queensland for a 167-room business hotel, which would be on a prime 2035-square metre site on First Avenue and close to the proposed future light rail network.

In addition to accommodation, the hotel will also have 183 square metres of retail space on the ground level and a rooftop recreation area with a swimming pool and gym. The hotel will also have a bar, meeting and function rooms as well as 54 car parking spaces concealed from the street by vertical landscaping.

For more information go to maroochydore-city.com.au.

FINAL WORD

Hotel development company Pro-Invest is building a nine-storey hotel in the new CBD.



Artist's Impression

CBD IS TAKING SHAPE

Construction started this week on the first building in the new Maroochydore CBD with developer Evans Long turning the first sod on its eight-level commercial and retail building. The \$30 million energy-efficient building, Foundation Place, is being built on a site on South Sea Islander Way, directly across the park from the proposed new city hall.

Evans Long director Dirk Long says more than 60 per cent of Foundation Place has already been leased.

Mr Long says in addition to housing Evans Long's own head office in the building, other

"More than 40 per cent of Foundation Place has already been leased"

tenants include a local construction company that had taken 200 square metres, a law firm with 250 square metres, a town planning company with 138 square metres and a financial planning firm with 70 square metres. "We have had strong interest from a range of potential tenants who want to be part of the new, vibrant CBD," he adds.

Mr Long says modern businesses consider eco-friendly features 'must haves' to attract and retain the right staff but also reduce their footprint in the region.



COMMERCIAL
property

MAJOR STAGE ONE CIVIL WORKS NEARING COMPLETION AT MAROOCHYDORE CITY CENTRE

Construction of a new car park and connection of the innovative automated waste collection system in stage one of the new Maroochydore City Centre are nearing completion with the team from Hall Contracting powering through civil works.

Hall Contracting project manager Greg Busse says the sealed car park will accommodate more than 200 car spaces, including disabled parking spaces and motorcycle parking.

"We've been blessed with some great weather over the past few months and this has enabled our team to make great progress on the new car park as well as the connection of the automated waste collection system, which will be the first of its kind in Australia.

"For the car park, around 70 metres

of stormwater pipe has been installed at the southern side to catch any rainwater that falls while 200 metres of subsoil drainage has also been installed.

"We've also installed 150 metres of kerb and channel as well as conduits, pits and control boxes for

"This has been a big job for our team... This is an Australian first project of its type"

the electrical system," Mr Busse says. SunCentral Maroochydore CEO John Knaggs says the new carpark is an important interim step in advance of the planned multi-deck car parks for the

city centre. "This carpark will be a valuable addition to the early stages of the project.

"Along with the with the on-street parking, the car park will serve the immediate needs of workers and visitors including those who may attend events on-site," Mr Knaggs says.

Meanwhile, further south of the site, the Hall Contracting team is working to connect the automated waste collection system to the transfer station building off Curaby Street prior to commissioning of the system later this year.

"This has been a big job for our team. We have had a number of welding crews as well as a team of excavator, front-end loader, and water truck operators along with labourers working on this innovative project," Mr Busse says.

"This is an Australian first project of its type so we are proud to play our role in its installation. It's certainly a big job - we have completed 121 welds on the steel pipeline and 250 metres of pipe has been touched, lowered in with sections welded together and backfilled."

The first commercial building in the new Maroochydore City Centre, Foundation Place, which is being constructed by local builder Evans Built - recently completed its sixth level, which includes podium level car parks. Just two levels remain to be built before the project is completed later this year.

Construction of Habitat's Maritime Lane residence, Pro-Invest's Holiday Inn Express hotel and Sunshine Coast Council's nine-storey city hall building are all scheduled to commence at various stages before the end of the year.

Access to the fastest data connection to Asia from Australia's eastern seaboard will also soon be possible with the recent connection of the international submarine cable into the new city centre via the cable landing station on Maund Street. For more information, visit maroochydore-city.com.au.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their report together with the financial report of SunCentral Maroochydore Proprietary Limited (the Company) for the reporting period from 1 July 2019 to 30 June 2020.

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
<p>Dr Doug McTaggart Bac (Hons), MA, PhD, DUniv, FAICD, SF Fin. Chairperson Independent Non-Executive Director</p>	<p>Extensive experience in corporate leadership, commercial development, infrastructure financing and investment. Currently a director of Suncorp Group, Spark Infrastructure (Chairman), AAINZ, and also a member of the ANU Council. Formerly the CEO of Queensland Investment Corporation, Professor of Economics and Associate Dean at Bond University, and Under Treasurer of Queensland Treasury. He is a highly experienced Chairman and well respected in the financial, commercial and investment banking sectors. Appointed as Director and Chairperson in March 2015.</p>
<p>Mr Don Boyd BA, LLB Independent Non-Executive Director</p>	<p>Extensive understanding of brand development marketing, structuring commercial developments and managing complex organisational challenges. Directorships include Moore Stephens (Queensland & Northern New South Wales) Pty Ltd, Baldwins Pastoral Holdings Pty Ltd, Logan Downs Pty Ltd, Russell Estates Pty Ltd, Tarranalama Pty Ltd and consultant for Norton Rose Fulbright Australia. Appointed Director in March 2015. Retired September 2019.</p>
<p>Mr Morgan Parker LLB Independent Non-Executive Director</p>	<p>Extensive career history as a real estate developer, investor and banker at some of the world's leading firms, including Morgan Stanley, Macquarie Bank, Lendlease, US-REIT Taubman Centers and the Rockefeller-owned global private equity firm, Rose Rock. Current directorships include Newcastle Airport, UbiPark, Garda Capital Group and the Presbyterian & Methodist Schools Association. Mr Parker brings to the role a dynamic, creative and focused approach to major city shaping projects the scale of the Maroochydore City Centre and extensive global experience in master-planned urban development, investment financing and marketing. Appointed director in March 2015.</p>
<p>Ms Alison Quinn B.Com Independent Non-Executive Director</p>	<p>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 the property sector since 1994, across residential, commercial, retail and retirement living sectors. Current directorships include Uniting Care Qld, BWP Trust. Currently the Chair of the St Margaret's Anglican Girls School Council an advisory panel member of Economic Development Queensland and Brisbane City Council. Previous roles include Chief Executive Officer of Retire Australia and boards including the Property Council of Australia and Urban Development Institute of Australia. Appointed Director in April 2019.</p>
<p>Mr Paul McLean Independent Non-Executive Director</p>	<p>Extensive experience in the property and real estate industry, and was previously the Chief Executive of Savills Australia having been responsible for the growth of Savills throughout Australia and New Zealand since 2006. Current directorships include Rugby Australia and McLean Advisory. Currently the Chair of the Mater Group Property Council, member of the Archdiocese of Brisbane building & property committee and a member of Shadforth Civil's advisory committee. Appointed Director in April 2019.</p>

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Mr Peter Sherrie
 PGDBA, B.Eng

Independent Non-Executive
 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, Club Mandalay Pty Ltd and Sherrie (EDG) Pty Ltd. Appointed Director in October 2019.

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

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
Dr D F McTaggart	9	9		
Mr D R Boyd	2	2	2	2
Mr M B Parker	9	9	1	1
Ms A Quinn	8	9	3	3
Mr P McLean	9	9		
Mr P Sherrie	7	7		

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 Boyd up until his retirement in September 2019. The meeting is attended by the Company's Chief Executive Officer and Company Secretary/Chief Financial Officer. 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 project and operating budget reporting;
- annual remuneration of the Chairman, Directors and Chief Executive Officer;
- compliance with statutory reporting obligations;
- the appointment and performance of the external auditor;
- the appointment of an internal 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 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 2020

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 Chairperson and may determine the period for which the Chairperson 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 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 \$13,031,752 of which \$12,141,558 was provided by the parent entity, Sunshine Coast Regional Council. Development costs incurred in the pursuit of the company's objectives totalled \$11,008,080. The profit for the Company for the reporting period amounted to \$43,605 (2019: \$27,182).

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

Progress in evaluating submissions arising from the Invitation for Expressions of Interest for the balance land portion of the project will continue into the next financial year, with potential commercial outcomes finalised over the coming 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.

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.

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 13.

This report is made with a resolution of the Directors:



Dr Douglas McTaggart
Chairman

Dated at Maroochydore this day 14th of September 2020.

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 2020, I declare that, to the best of my knowledge and belief, there have been:

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



Charles Strickland
as delegate of the Auditor-General of Queensland

14 September 2020
Queensland Audit Office
Brisbane

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Income			
Revenue	4	13,001,955	20,781,795
Investment income	5	29,797	44,164
Total Income		13,031,752	20,825,959
Expenses			
Development Costs	6a	11,008,080	18,824,685
Operating Expenses	6b	1,921,627	1,923,281
Depreciation and amortisation	12	58,440	50,810
Total Expenses		12,988,147	20,798,777
Net profit/(loss) before income tax		43,605	27,182
Net profit/(loss) for the year		43,605	27,182
Total comprehensive income for the year		43,605	27,182
Profit attributable to:			
Parent Entity		43,605	27,182

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020	2019
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	9	1,242,456	1,426,697
Trade and other receivables	10	808,204	1,609,487
Other assets	11	19,311	29,360
Total Current Assets		2,069,971	3,065,544
Non-Current Assets			
Property, plant and equipment	12	30,858	82,582
Right of use leased assets	13a	66,053	141,361
Total Non-Current Assets		96,911	223,943
Total Assets		2,166,882	3,289,487
Liabilities			
Current Liabilities			
Trade and other payables	14	1,197,692	2,299,362
Employee benefit provisions		154,754	144,754
Lease liability	13b	65,554	126,611
Total Current Liabilities		1,417,999	2,570,726
Non-Current Liabilities			
Employee benefit provisions		5,857	5,089
Lease liability	13b	499	14,750
Total Non-Current Liabilities		6,356	19,839
Total Liabilities		1,424,355	2,590,565
Net Assets		742,528	698,923
Equity			
Equity attributable to Parent Entity:			
Share capital	17	500,000	500,000
Retained earnings		242,528	198,923
Total Equity		742,528	698,923

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

	Share Capital (Ordinary)	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2019	500,000	198,923	698,923
Comprehensive income			
Profit for the year	-	43,605	43,605
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the parent entity	-	43,605	43,605
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Total transactions with owners and other transfers	-	-	-
Balance at 30 June 2020	500,000	242,528	742,528

	Share Capital (Ordinary)	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2018	500,000	171,740	671,740
Comprehensive income			
Profit for the year	-	27,183	27,183
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the parent entity	-	27,183	27,183
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Total transactions with owners and other transfers	-	-	-
Balance at 30 June 2019	500,000	198,923	698,923

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Cash receipts from customers		13,792,624	23,778,889
Cash paid to suppliers and employees		(13,999,856)	(23,435,771)
Cash generated from operating activities		(207,232)	343,118
Interest received		29,797	44,164
Net cash generated from operating activities	19	(177,435)	387,282
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Acquisition of property, plant and equipment		(6,806)	(46,235)
Net cash used in investing activities		(6,806)	(46,235)
Cash flows from financing activities			
Proceeds from issue of share capital		-	-
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(184,241)	341,046
Cash and cash equivalents at 1 July 2019		1,426,697	1,085,651
Cash and cash equivalents as at 30 June 2020	9	1,242,456	1,426,697

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Reporting entity concept

SunCentral Maroochydore Proprietary Limited (the Company) is a private company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office 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 period

The accounting policies set out below, both new and future, have been applied consistently to all periods presented in these financial statements. There has not been any changes in the Company's accounting policies since the Company's inception.

The amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report but have future commencement dates are judged by the Directors not likely to have a material impact on the financial statements.

(i) Revenue from Contracts with Customers (AASB 15)

AASB 15 became effective from 1 January 2018 and replaced AASB 118 Revenue, AASB 111 Construction Contracts and a number of interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers. The main changes as a consequence of the new standard relate to inconsistencies between entities' reported revenues, principally in relation to when an entity recognises revenue under long term contracts (e.g. construction contracts and contracts that bundle together goods and services (e.g. contracts that bundle a telephone handset with network services). The Company does not hold contracts of this kind and therefore the standard is not anticipated to impact on the Company at this time.

(ii) Leases (AASB 16)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A modified retrospective approach has been adopted from 1 July 2019. The company holds minimal small value leases of this kind and therefore the standard is not anticipated to materially impact on the company in terms of expenditure.

The amount recognised within the Statement of Financial Position is for short term right of use low value leases.

3. Basis of preparation

a. General information and statement of compliance

The financial report is a general purpose financial report which has 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

Pursuant to the provisions of AASB 101 Presentation of Financial Statements, and as agreed with the Company's parent entity, the financial statements as presented are for the reporting period from 1 July 2019 through to 30 June 2020. The Comparative period represents the reporting period from 1 July 2018 to the 30 June 2019. The comparative figures have been adjusted in the current year to account for an immaterial calculation error.

c. Basis of measurement

The financial report, except for the cash flow information, has been prepared on an accrual basis and is based on the historical cost basis, modified, where applicable, by the measurement at fair value. 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, deposits held at call with the banks and other short-term highly liquid investments with original maturities of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. Basis of preparation cont.

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.

h. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 32 days of recognition of the liability.

i. Financial instruments

i. Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets 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 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.

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 assets: cash and cash equivalents (refer to Note 9 and receivables (refer to Note 10). Such financial assets are recognised at fair value plus any directly attributable transaction costs.

ii. Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. 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 14). Such financial liabilities are recognised at fair value plus any directly attributable transaction costs.

iii. Compound financial instruments

The Company has not issued any compound financial instruments.

iv. Derivative financial instruments, including hedge accounting

The Company holds no derivative financial instruments.

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. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. Basis of preparation cont.

ii. 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	Depreciation Rate
• 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.

k. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

l. Impairment

i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in finance costs and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income.

ii) Non-Financial assets

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.

m. 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 settlements 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.

i) Salaries and wages

A liability for salaries and wages is reported in Note 14 within accrued expenditure.

ii) Annual leave

A liability for annual leave is reported in Note 14.

iii) Long service leave

A liability for long service leave is reported on the face of the Statement of Financial Position.

iv) Superannuation

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

n. Provisions

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

o. Revenue

i. Services

Revenue from services rendered is recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Development Revenue: Income derived from the parent entity, in order to meet costs directly attributable to the company's delivery of the development of the Maroochydore City Centre Priority Development Area on the behalf of the parent entity.

Development Management Fee: Income derived from the parent entity, corresponding to the costs incurred by the company in the managing the delivery of the Maroochydore City Centre Priority Development Area.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. Basis of preparation cont.

p. Interest Received

Interest Received comprises interest income on funds invested. Interest income is recognised as it accrues using the effective interest method.

q. 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.

r. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4. Revenue	2020	2019
	\$	\$
The Company's revenue for the reporting period consist of the following:		
Development Revenue		
Construction	8,624,509	16,190,458
Project & Site Management	641,264	515,904
Marketing, Engagement & Partner Attraction	1,742,308	2,118,323
Total Development Revenue	11,008,080	18,824,685
Development Management Fee	1,971,000	1,934,000
Other Income		
Sundry income	22,875	23,110
	13,001,955	20,781,795

The majority of revenue is provided by the parent entity (Sunshine Coast Regional Council) as reported at note 20(d).

5. Investment income	2020	2019
	\$	\$
Investment income for the reporting period consists of the following:		
Interest income on bank deposits	29,797	44,164
	29,797	44,164

6. Expenses	2020	2019
	\$	\$
a. Development Costs		
Construction	7,704,808	14,899,095
Detailed Design	381,638	613,151
Marketing, Engagement & Partner Attraction	1,742,308	2,118,323
Master Planning	538,063	678,212
Project & Site Management	641,264	515,904
	11,008,080	18,824,685
b. Operating Expenses		
Board & Governance costs	423,312	421,268
Financial costs	17,316	27,511
General costs	30,853	14,754
Information Technology & Communication costs	72,783	71,579
Premises costs	147,039	94,595
Staff costs	1,170,585	1,218,468
Contractor / Consultant costs	59,740	75,105
	1,921,627	1,923,281

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7. Key management personnel

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:

a. Key management personnel compensation (or remuneration)	2020	2019
	\$	\$
Short term employee benefits	741,213	774,957
Post employment benefits	80,156	81,705
Other long term employee benefits	11,479	8,511
	832,847	865,172

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 9.5% of the base fee. The Board and CEO agreed to a 15% salary reduction between April and June 2020 as a response to the COVID-19 pandemic.

8. Employee remuneration	2020	2019
	\$	\$
Included in operating overheads for the reporting period are the following expenses for staff other than the CEO:		
Salaries and wages	540,724	545,444
Superannuation	59,986	63,376
Increase/(Decrease) in liability for annual leave	7,824	8,791
Increase/(Decrease) in liability for long service leave	768	(158)
	609,302	617,453

9. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank - unrestricted	1,242,456	834,192
Call Deposits	-	592,505
Cash and cash equivalents in the statement of cash flows	1,242,456	1,426,697

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 22 for further details.

10. Trade and other receivables	2020	2019
	\$	\$
Trade debtors	98,394	865,321
GST receivable	-	10,674
Accrued development revenue	708,704	731,856
Accrued Interest receivable	1,107	1,636
	808,204	1,609,487

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.

11. Other assets	2020	2019
	\$	\$
Prepayments	19,311	29,360
	19,311	29,360

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. 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
	\$	\$	\$	\$
Asset Values				
Opening gross value as at 1 July 2019	52,859	38,571	57,113	148,542
Additions at cost	-	6,716	-	6,716
Disposals	-	-	-	-
Closing gross value as at 30 June 2020	52,859	45,287	57,113	155,258
Accumulated Depreciation & Impairment				
Opening accumulated depreciation balance as at 1 July 2019	17,179	19,699	29,082	65,960
Depreciation provided during period	18,011	13,741	26,689	58,440
Closing accumulated depreciation and impairment as at 30 June 2020	35,190	33,440	55,771	124,400
Total book value as at 30 June 2020	17,669	11,847	1,342	30,858

Measurement at cost	Office Furniture	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Asset Values				
Opening Gross Value as at 1 July 2018	27,264	22,127	52,917	102,308
Additions at cost	25,595	16,444	4,196	46,234
Closing gross value as at 30 June 2019	52,859	38,571	57,113	148,542
Accumulated Depreciation & Impairment				
Opening accumulated depreciation balance as at 1 July 2018	3,467	9,613	2,070	15,150
Depreciation provided during period	13,712	10,086	27,012	50,810
Closing accumulated depreciation and impairment as at 30 June 2019	17,179	19,699	29,082	65,960
Total book value as at 30 June 2019	35,680	18,872	28,031	82,582

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Buildings	Plant & Equipment	Total
13. Right of use of leased assets			
	\$	\$	\$
(a) Right-of-use assets			
Opening balance as at 1 July 2019	95,333	46,028	141,361
Additions	-	-	-
Depreciation charge	43,333	31,957	75,308
Disposals / de-recognition	-	-	-
Closing balance at 30 June 2020	52,000	14,053	66,053
1 July 2018 opening balance adoption of AASB16	149,833	83,989	233,822
Additions	-	-	-
Depreciation charge	54,500	37,961	92,461
Disposals / de-recognition	-	-	-
Closing balance at 30 June 2019	95,333	46,028	141,361
	2020	2019	
(b) Lease liabilities		\$	\$
Current		65,554	126,611
Non-current		499	14,750
This is for the recognition of the leases for: Golf Street lease expires 12/20 - \$52,000; Toyota vehicle lease expire 10/20 - \$4,133; ICT Secure Tel lease expires 02/21 - \$4,097; ICT fibre contract expires 08/21 - \$5,489			
14. Trade and other payables		2020	2019
		\$	\$
Trade and other payables recognised consist of the following:			
Unsecured liabilities:			
Trade creditors		961,065	1,120,830
Annual Leave		102,620	93,316
Accrued expenditure		68,311	935,582
GST liabilities		989	-
Payroll liabilities		53,707	105,635
Amounts payable to: ultimate parent entity		11,000	44,000
		1,197,692	2,299,362
Financial liabilities at amortised cost classified as trade and other payables:			
Trade and other payables:			
- total current		1,197,692	2,299,362
Financial liabilities as trade and other payables:		1,197,692	2,299,362

The average credit period on trade and other payables (excluding GST payable) is 32 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15. Financial instruments

a. Financial risk management

i. Overview

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

- Credit risk
- Liquidity risk
- Market 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.

ii. Credit risk

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

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

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

iii. 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, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 365 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

iv) Market risk

Market risk is the risk of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

b. Credit risk

i. Exposure to credit risk

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

	Note	2020	2019
		\$	\$
Cash and cash equivalents	9	1,242,456	1,426,697
Trade and other receivables	10	808,204	1,609,487
		2,050,660	3,036,184
The Company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:			
Australia		808,204	1,609,487
		808,204	1,609,487

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15. Financial instruments cont.

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

	2020	2019
	\$	\$
Parent Entity	807,097	1,431,890
Other	-	165,287
	807,097	1,597,177

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-.

ii. Impairment losses

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

	Gross 2020	Impairment 2020	Gross 2019	Impairment 2019
	\$	\$	\$	\$
Not past due	808,204	-	1,594,399	-
Past due 31-60 days	-	-	2,778	-

c. Liquidity risk

Liquidity risk refers to the situation where the Company may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is exposed to liquidity risk through its trading in the normal course of business.

	2020	2019
	\$	\$
- less than 12 months	1,197,692	2,299,362
	1,197,692	2,299,362

d. Currency risk

The Company has no current exposure to foreign currency risk.

16. Fair Value Measurements

The Company does not subsequently measure any liabilities at fair value or 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.

17. Share Capital

	2020	2019
	\$	\$
Ordinary Shares in issue as at commencement of reporting period	500,000	500,000
In issue at 30 June 2020 - fully paid	500,000	500,000

i. 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.

ii. Issue of ordinary shares

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18. Construction contract commitments

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

	2020	2019
Payable - minimum payments:	\$	\$
Not later than 12 months	1,425,186	6,592,040
	1,425,186	6,592,040

19. Reconciliation of cash flow from operating activities

	2020	2019
	\$	\$
Cash flows from operating activities		
Net profit / (loss) for the year	43,605	27,182
<i>Adjustments for:</i>		
Depreciation	58,440	50,810
Operating surplus before changes in working capital and provisions	102,045	77,993
Change in trade and other receivables	790,079	2,938,205
Change in prepayments	10,049	(5,413)
Change in trade and other payables	(1,090,906)	(2,634,229)
Change in provisions and employee benefits	10,768	10,302
Change in accrued interest	529	424
Net cash generated from operating activities	(177,436)	387,281

20. Related party transactions

Related Parties

The Company's main related parties are as follows:

a. Entities exercising control over the Company

The parent entity, which exercises control over the Company, is the Sunshine Coast Regional Council. The Council and its controlled entities including this company form a group and Unitywater is an associate of the Council and is therefore also a related party.

b. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director of the company is considered key management personnel. For details of disclosures relating to key management personnel compensation, refer to Note 7. Key management personnel during the period have been identified in the Director's Report.

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 this type of entity has 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

20. Related party transactions contd.

Related Parties	2020	2019
The following transactions occurred with related parties:	\$	\$
Revenue		
Parent entity - Sales of goods and services	12,141,558	19,225,201
Associate of the Parent Entity - Sales of goods and services	700,067	1,551,398
Expenditure		
Parent entity - Purchase of goods and services	73,680	50,000

21. Auditor remuneration

	2020	2019
The provision relating to the audit or review of the financial statements and all other services during the reporting period, is as follows:	\$	\$
Audit of the financial statements by the Auditor-General of Queensland	24,600	24,100
	24,600	24,100

22. Contingent liabilities

	2020	2019
Details and estimate of maximum amounts of contingent liabilities are as follows:	\$	\$
Indemnity amount provided to the Local Government Workcare Bank Guarantee	17,244	11,269
	17,244	11,269

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.

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. Currently, the ability of the Company to continue its operations at current levels is dependent 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.

24. Events after the reporting period

Progress in evaluating submissions arising from the Invitation for Expressions of Interest for the balance land portion of the project will continue into the next financial year, with potential commercial outcomes finalised over the coming period.

25. COVID-19 Pandemic

The COVID-19 pandemic did not have any material financial impact to the Company during the financial year. However, as a result of the pandemic the Board and CEO agreed to a salary reduction, refer to Note 7.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2020

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

- a. the financial statements and notes, set out on pages 14 to 30 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 2020 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:



Dr. Douglas McTaggart
Chairman

Dated at Maroochydore this day 14th September 2020.



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.

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2020, 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 significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

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

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

I am also independent of the 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 the information included in the company's annual report for the year ended 30 June 20, but does not include the financial report and my auditor's report thereon.

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 company for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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



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

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

A handwritten signature in blue ink that reads 'C. G. Strickland'.

Charles Strickland
as delegate of the Auditor-General

18 September 2020

Queensland Audit Office
Brisbane