

Sunshine Coast Events Centre Pty Ltd

Annual financial statements for the reporting period ended

30 June 2023

ABN: 38 127 655 510

SUNSHINE COAST EVENTS CENTRE PTY LTD
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------|------------------|
| Income | | | |
| Revenue | 2 | 2,742,182 | 1,828,196 |
| Grant revenue | 3 | 1,793,165 | 1,596,960 |
| Other revenue | | 37,666 | 7,707 |
| Total income | | 4,573,013 | 3,432,863 |
| Expenses | | | |
| Material and services | 4 | 1,654,380 | 1,139,438 |
| Employee expenses | 5 | 2,815,932 | 2,221,969 |
| Financial expenses | | 59,285 | 42,638 |
| Total expenses | | 4,529,597 | 3,404,045 |
| Net profit/(loss) for the period | | 43,416 | 28,818 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | 43,416 | 28,818 |

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD

**Statement of financial position
As at 30 June 2023**

| | Note | 2023 | 2022 |
|--------------------------------------|------|------------------|------------------|
| | | \$ | \$ |
| Current assets | | | |
| Cash and cash equivalents | 6 | 2,185,575 | 2,099,464 |
| Trade and other receivables | | 420 | 6,445 |
| Inventories | | 44,441 | 33,506 |
| Other assets | | 16,581 | 7,755 |
| Total current assets | | 2,247,017 | 2,147,170 |
| Total assets | | 2,247,017 | 2,147,170 |
| Current liabilities | | | |
| Trade and other payables | | 3,214 | 9,350 |
| Employee benefits | 7 | 222,085 | 166,258 |
| Client deposits held | 8 | 979,177 | 1,071,649 |
| Other liabilities | | 83,189 | 47,608 |
| Total current liabilities | | 1,287,665 | 1,294,865 |
| Non-current liabilities | | | |
| Employee benefits | 7 | 236,466 | 172,835 |
| Total non-current liabilities | | 236,466 | 172,835 |
| Total liabilities | | 1,524,131 | 1,467,700 |
| Net assets | | 722,886 | 679,470 |
| Equity | | | |
| Contributed equity | 9 | 10 | 10 |
| Retained profits | | 722,876 | 679,460 |
| Total equity | | 722,886 | 679,470 |

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD

Statement of cash flows For the year ended 30 June 2023

| | Note | 2023 | 2022 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 2,649,719 | 1,822,055 |
| Receipts from council / grants / government | | 1,793,165 | 1,596,960 |
| Interest received | | 29,386 | 8,525 |
| Payments to suppliers | | (1,698,913) | (1,182,240) |
| Payments to employees | | (2,696,476) | (2,191,261) |
| Net GST paid to ATO | | 9,230 | (10,036) |
| Net cash from/(used in) operating activities | 11 | 86,111 | 44,003 |
| Net increase (decrease) in cash and cash equivalents | | 86,111 | 44,003 |
| Cash and cash equivalents at the beginning of financial year | | 2,099,464 | 2,055,461 |
| Cash and cash equivalents at the end of financial year | 6 | 2,185,575 | 2,099,464 |

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD

**Statement of changes in equity
For the year ended 30 June 2023**

| | Contributed Equity \$ | Retained Earnings \$ | Total \$ |
|--------------------------------|--------------------------------------|-------------------------------------|---------------------|
| Balance at 1 July 2021 | 10 | 650,642 | 650,652 |
| Net profit for the year | - | 28,818 | 28,818 |
| Balance at 30 June 2022 | 10 | 679,460 | 679,470 |
| Balance at 1 July 2022 | 10 | 679,460 | 679,470 |
| Net profit for the year | - | 43,416 | 43,416 |
| Balance at 30 June 2023 | 10 | 722,876 | 722,886 |

The financial statements should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Sunshine Coast Events Centre Pty Ltd (the 'Company') is a proprietary limited company domiciled in Australia. The Company's registered address is 20 Minchinton Street, Caloundra, Queensland, 4551. The Company's primary purpose is to facilitate community participation in and enjoyment of performing arts; and to provide a world-class venue for performances, conferences, and exhibitions on the Sunshine Coast in Queensland. The Company's parent entity is the Sunshine Coast Regional Council.

Sunshine Coast Events Centre Pty Ltd is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

BASIS OF PREPARATION

These financial statements are special purpose financial statements prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity because there are no users dependent on general purpose financial statements.

The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members. The special purpose financial statements have been prepared in accordance with the measurement and recognition criteria of all Australian Accounting Standards (including Australian Accounting Interpretations) but have adopted only the following disclosure requirements of Australian Accounting Standards:

- AASB 101 - Presentation of Financial Statements
- AASB 107 – Statement of Cash Flows
- AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 - Interpretation of Standards
- AASB 1053 - Application of Tiers of Australian Accounting Standards
- AASB 1054 - Australian Additional Disclosures.

The financial statements have been prepared on an accrual basis and is based on historical costs and do not take into account changing money values. Cost is based on the fair value of the consideration given in exchange for assets.

The comparatives provided in these statements relate to the period 1 July 2021 to 30 June 2022.

Interpretations that have a material impact have been applied. The following is a summary of material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

a) Revenue recognition

Sale of goods

Revenue from the sale of goods (such as merchandise and food and drinks) is recognised upon delivery of goods to customers.

Rendering of a service

Revenue is recognised upon the delivery of the service to customers.

Major production – show sales

Revenue is recognised upon the delivery of the service to customers.

Operational grant

The annual operational grant from Sunshine Coast Regional Council is recognised upon receipt.

b) Income Tax

The Company has been advised by the Australian Taxation Office that it is exempt from income tax pursuant to section 24AM of the 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.

c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, and at call deposits with banks or financial institutions.

e) Plant and Equipment

In accordance with the Operating Agreement between the Company and the Sunshine Coast Regional Council (dated 15th December 2004), all items of property, plant and equipment valued in excess of \$5,000 vest in the Sunshine Coast Regional Council.

Items of property, plant and equipment with a value less than \$5,000 are treated as an expense in the year of acquisition.

f) Going Concern

The company is dependent upon the continued funding of the Shareholder, Sunshine Coast Regional Council, to continue as a going concern. The financial statements have been prepared on a going concern basis. The directors believe that with the continued support of the Shareholder, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Sunshine Coast Regional Council, as Shareholder for Sunshine Coast Events Centre Pty Ltd, has approved operational funding of \$1,961,726 for the 2024 financial year. The upcoming 2024 operational plan is to operate within the confine of the 2024 approved operational funding.

As a result, the directors believe that the company will realise its assets and discharge its liabilities in the normal course of business.

g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits are presented as current liabilities where the entity does not have any unconditional right to defer settlement beyond 12 months, regardless of when the actual settlement is expected to occur. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

1) Salaries and wages

A liability for salaries and wages is reported in Note 7 within payroll liabilities.

2) Annual leave

A liability for annual leave is reported in Note 7.

3) Long service leave

A liability for long service leave is reported in Note 7.

4) Superannuation

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

h) Client Deposits Held

A separate bank account is maintained to hold the cash from ticket sales until the completion of the performance or event when funds are released to the promoter. As the Company is only a custodian of this cash, a liability is recognised in the Statement of Financial Position.

i) Judgements and Assumptions

The entity has made no significant judgements or assumptions which may cause a material adjustment to the carrying amount of assets and liabilities in the next reporting period.

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of 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.

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.

| | 2023 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| NOTE 2: REVENUE | | |
| Sale of Goods | 944,498 | 651,594 |
| Rendering of Services | 1,681,423 | 1,075,744 |
| Sunshine Coast Events Centre Pty Ltd – Ticket Sales | 116,261 | 100,858 |
| Total Revenue | 2,742,182 | 1,828,196 |
| NOTE 3: GRANT REVENUE | | |
| Operational Grant - Sunshine Coast Regional Council | 1,788,922 | 1,581,960 |
| Government Grant - Queensland State Government | - | 15,000 |
| Government Funding - Federal Government | 4,243 | - |
| Total Grants Revenue | 1,793,165 | 1,596,960 |

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| NOTE 4: MATERIALS AND SERVICES | | |
| Contractors | 167,541 | 153,111 |
| Food expenses | 179,015 | 142,057 |
| Electricity | 284,519 | 119,995 |
| Council Services Cost | 88,566 | 88,566 |
| Beverage expenses | 143,908 | 76,777 |
| Other | 790,831 | 558,932 |
| Total Materials and Services | 1,654,380 | 1,139,438 |
| NOTE 5: EMPLOYEE EXPENSES | | |
| Salary and wages | 2,277,398 | 1,807,037 |
| Superannuation | 233,021 | 185,780 |
| Other employee benefits | 146,090 | 108,432 |
| Other employee related expenses | 159,423 | 120,720 |
| Total Employee Costs | 2,815,932 | 2,221,969 |
| NOTE 6: CASH & CASH EQUIVALENTS | | |
| Cash on Hand - Floats | 2,300 | 2,300 |
| Operating Bank Account | 204,098 | 37,515 |
| Corporate Investment Bank Account | 1,000,000 | 988,000 |
| | 1,206,398 | 1,027,815 |
| Client Holding Bank Account | 979,177 | 1,071,649 |
| | 2,185,575 | 2,099,464 |
| NOTE 7: EMPLOYEE BENEFITS | | |
| CURRENT | | |
| Annual leave provisions | 177,869 | 138,241 |
| Accrued wages and salaries | 44,216 | 28,017 |
| | 222,085 | 166,258 |
| NON-CURRENT | | |
| Accrued long service leave provisions | 236,466 | 172,835 |
| | 458,551 | 339,093 |

| | 2023 | 2022 |
|---|----------------|------------------|
| | \$ | \$ |
| NOTE 8: CLIENT DEPOSITS HELD | | |
| Scholarship - Fundraising | 5,267 | 5,267 |
| Future Event Ticket Sales - Refundable | 881,656 | 1,011,577 |
| Future Event Deposits - Refundable | 57,683 | 54,683 |
| Net Promotor Proceeds – Refundable | 34,349 | - |
| Cancelled Event Ticket Sales - Refundable | 222 | 122 |
| | 979,177 | 1,071,649 |
| NOTE 9: CONTRIBUTED EQUITY | | |
| 10 Fully Paid Ordinary Shares | 10 | 10 |

There are no rights attached to these shares and no dividends are paid.

NOTE 10: 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) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated. Directors are appointed in an honorary capacity and have not received any remuneration or other measurable benefits during the year.

The following transactions occurred with related parties:

| | 2023 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| <i>Revenue</i> | | |
| Parent entity - Sales of goods and services | 1,795,814 | 1,612,104 |
| <i>Expenditure</i> | | |
| Parent entity - Purchase of goods and services | (458,554) | (309,816) |

NOTE 11: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO NET PROFIT/ (LOSS) FOR THE PERIOD

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$ | \$ |
| Net profit/(loss) for the period | 43,416 | 28,818 |
| Decrease in trade debtors | 9 | 571 |
| Increase in inventory | (10,935) | 189 |
| Increase in other assets | (8,826) | (296) |
| Decrease in trade creditors | (9,350) | 9,350 |
| Increase in wages and salaries payable | 16,199 | 4,541 |
| Increase in employee entitlements | 103,258 | 26,167 |
| Decrease in client deposits held | (92,472) | (6,712) |
| Increase in other liabilities | 35,582 | (8,589) |
| Increase in tax liability | 9,230 | (10,036) |
| Net cash used in operating result | 86,111 | 44,003 |

NOTE 12: AUDITOR REMUNERATION

Total quoted audit fees by the Queensland Audit Office relating to the 2023 financial statements are \$7,000. The actual fee for the 2022 audit was \$ 6,000.

NOTE 13: CONTINGENT LIABILITIES

Sunshine Coast Events Centre Pty Ltd 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 license be cancelled and 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. Sunshine Coast Events Centre Pty Ltd's maximum exposure to the bank guarantee is \$38,306

NOTE 14: EVENTS SUBSEQUENT TO BALANCE DATE

There are no events subsequent to balance date which will have a material effect on this financial report.

SUNSHINE COAST EVENTS CENTRE PTY LTD
ABN: 38 127 655 510

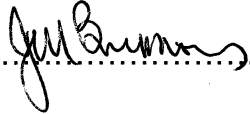
DIRECTORS' DECLARATION

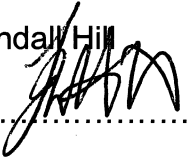
The Directors of the Company declare that:

The Special Purpose Financial Statements present fairly the Company's financial position as at 30th June 2023 and its performance for the year ended on that date; and

In the Directors' opinion, subject to ongoing funding from its shareholder, Sunshine Coast Council, as per the budget submitted and approved at the Council meeting on 22nd June 2023, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: Name Jeanette Burrows
Signature .....
Date 5th September 2023

Director: Name Fendall Hill
Signature .....
Date 5th September 2023

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Sunshine Coast Events Centre 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 Sunshine Coast Events Centre Pty Ltd for the financial year ended 30 June 2023, 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

4 September 2023

Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Members of Sunshine Coast Events Centre Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Events Centre 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 2023, and its financial performance and cash flows for the year then ended
- b) complies with the financial reporting framework described in Note 1.

The financial report comprises the statement of financial position as at 30 June 2023, 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.

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*.

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

Emphasis of matter

I draw attention to Note 1 of the financial report, which sets that the financial statements are special purpose financial statements prepared for use by directors and members of the company. The special purpose financial statements have been prepared in accordance with the measurement and recognition criteria of all Australian Accounting Standards (including Australian Accounting Interpretations) but have adopted only the following disclosure requirements of Australian Accounting Standards:

- AASB 101 – Presentation of Financial Statements
- AASB 107 – Statement of Cash Flows
- AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 – Interpretation of Standards
- AASB 1053 – Application of Tiers of Australian Accounting Standards
- AASB 1054 – Australian Additional Disclosures.

My opinion is not modified in respect of this matter.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) included in Sunshine Coast Events Centre 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 when it becomes available 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.

Other matter

The financial report of the Sunshine Coast Events Centre Pty Ltd for the year ended 30 June 2023 is the first year the entity prepared a financial report. The financial report of the Sunshine Coast Events Centre Pty Ltd for the year ended 30 June 2022 was unaudited.

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting framework described in Note 1, 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. In fulfilling this responsibility, the company's directors determined that the basis of preparation described in Note 1 is appropriate to meet their accountability requirements.

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 forming an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of material accounting policy information 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.



David Adams
as delegate of the Auditor-General

11 September 2023

Queensland Audit Office
Brisbane