

# CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Tabled and presented to Council  
at its 4748 Meeting held on:  
29/10/2024

Tabled by: Lord Mayor

  
Chairperson of Council

### CONTENTS

	Page
Directors' Report	2
Auditor's Independence Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	28
Independent Auditor's Report	29

CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Directors' present their report on City Parklands Services Pty Ltd trading as City Parklands ("the Company") for the financial year ended 30 June 2024.

### DIRECTORS' NAMES

The names of directors in office at any time during or since the end of the last financial year are:

Directors of City Parklands	Date Ceased
- David Chick (Chair)	
- Bradley Wilson	31 May 2024
- Narelle Ballini	
- Juliet Alabaster	
- Peta Harwood (date appointed 28 November 2023)	5 July 2024

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

### Company Secretary

Ms Lily Boscarriol BA, CA, GAICD, was appointed to the position of Company Secretary effective 20 November 2023. Ms Lisa Weber resigned 27 October 2023.

### PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was to manage, operate and activate premier parklands, precincts and significant places in Brisbane.

No significant changes in the nature of the Company's activity occurred during the financial year.

### OPERATING RESULTS

The profit for the financial year ended 30 June 2024 amounted to \$5,224,246 (2023: loss of \$1,340,534). The improved result for the year was due to the commencement of the new management agreement for the maintenance of the South Bank Parklands, the provision of additional contracted services in relation to the transitional services for park management and event activation to South Bank Corporation together with improved operational cost efficiencies.

### DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year (2023: Nil).

Dividends paid or declared since the end of the financial year were:

Declared after end of year	\$'000	Date of payment
Final ordinary	2,000	30 August 2024

## **DIRECTOR'S REPORT (continued)**

### **FOR THE YEAR ENDED 30 JUNE 2024**

#### **AFTER BALANCE DATE EVENTS**

In August 2024, the Company declared a dividend to the parent entity, Brisbane City Council, amounting to \$2 million with respect to the 2024 financial year.

The Company is currently negotiating a new long term management and maintenance agreement for Roma Street Parklands which will be directly between the Company and the Department of Housing, Local Government, Planning and Public Works. In the interim, the Queensland Government have extended the existing agreements for the required months, pending finalisation of the new agreement.

The Agreement between the Company and Brisbane City Council for the management and maintenance of Victoria Park Barrambin Parkland expired on the 30 June 2024, with both parties entering into a 12 month extension of the existing agreement whilst negotiations for a new long term agreement is finalised.

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

#### **LIKELY FUTURE DEVELOPMENTS**

In the future the Company expects to continue to grow its business with a focus on the management and activation of premier precincts and places for both government and private sector.

#### **DIRECTORS' MEETINGS**

The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

<b>Director</b>	<b>Meetings entitled to attend</b>	<b>Attended</b>
David Chick	11	11
Bradley Wilson	11	10
Narelle Ballini	11	11
Juliet Alabaster	11	10
Peta Harwood	6	4

CITY PARKLANDS SERVICES PTY LTD  
ABN 72 068 043 318

**DIRECTOR'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**INDEMNIFICATION OF DIRECTORS AND OFFICERS**

A policy of insurance indemnifying Directors and Officers of the Company is paid by the Company's parent entity, Brisbane City Council.

**INDEMNIFICATION OF AUDITORS**

The Company's auditor, Queensland Audit Office, has not been indemnified by the Company.

**COMPANY DETAILS**

The Company is an Australian proprietary company limited by shares, with Brisbane City Council being the sole shareholder.

The registered address is:

Level 7, Brisbane Square  
266 George Street  
Brisbane QLD 4000

The principal place of business is:

Level 17  
300 Queen Street  
Brisbane QLD 4000

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

  
David Chick

Director:

  
Narelle Ballini

Dated: 26 September 2024

## AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of City Parklands Services 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 City Parklands Services Pty Ltd for the financial year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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



Sri Narasimhan  
as delegate of the Auditor-General

26 September 2024

Queensland Audit Office  
Brisbane

CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>INCOME</b>			
Operational and project funding	2	23,692	35,347
Events, sponsorships and related revenue	3	2,942	3,428
Contracted services	4	11,193	1,277
Other revenue	5	2,034	806
<b>TOTAL INCOME</b>		<b>39,861</b>	<b>40,858</b>
<b>EXPENSES</b>			
Employee expenses	6	16,715	16,111
Events, marketing and communications	7	2,754	3,810
Contracts	8	3,729	7,447
Maintenance and landscaping	9	4,430	5,397
Project delivery expenses	10	3,490	4,359
Property expenses	11	876	2,101
Other operating expenses	12	2,058	2,222
Depreciation	13	464	737
Net loss on disposal of property, plant and equipment	17c	121	15
<b>TOTAL EXPENSES</b>		<b>34,637</b>	<b>42,199</b>
<b>OPERATING RESULT FOR THE YEAR</b>		<b>5,224</b>	<b>(1,341)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5,224</b>	<b>(1,341)</b>

*The above statement should be read in conjunction with the accompanying notes.*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	14	10,194	8,364
Receivables	15	3,867	3,488
Other assets	16	250	550
<b>Total Current Assets</b>		<b>14,311</b>	<b>12,402</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	17	216	395
Right-of-use asset	18	1,774	124
<b>Total Non-Current Assets</b>		<b>1,990</b>	<b>519</b>
<b>TOTAL ASSETS</b>		<b>16,301</b>	<b>12,921</b>
<b>CURRENT LIABILITIES</b>			
Payables	19	3,006	2,139
Employee benefits	20	2,103	2,211
Lease liabilities	21	390	93
Other current liabilities	22	3,633	7,978
<b>Total Current Liabilities</b>		<b>9,132</b>	<b>12,421</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	20	304	274
Lease liabilities	21	1,444	29
<b>Total Non-Current Liabilities</b>		<b>1,748</b>	<b>303</b>
<b>TOTAL LIABILITIES</b>		<b>10,880</b>	<b>12,724</b>
<b>NET ASSETS</b>		<b>5,421</b>	<b>197</b>
<b>EQUITY</b>			
Contributed equity	23	0	0
Accumulated surplus		5,421	197
<b>TOTAL EQUITY</b>		<b>5,421</b>	<b>197</b>

*The above statement should be read in conjunction with the accompanying notes.*

CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Contributed equity	Accumulated surplus	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2023	0	197	197
Comprehensive income for the year	-	5,224	5,224
<b>Balance as at 30 June 2024</b>	<b>0</b>	<b>5,421</b>	<b>5,421</b>
Balance as at 1 July 2022	0	1,538	1,538
Comprehensive income for the year	-	(1,341)	(1,341)
Balance as at 30 June 2023	0	197	197

Contributed equity is made up of 2 shares of \$1 each, which due to rounding is presented as above as 0. See note 23.

*The above statement should be read in conjunction with the accompanying notes.*



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from contracts/customers		<b>34,327</b>	39,793
Payments to suppliers and employees		<b>(32,927)</b>	(41,743)
Interest received		<b>500</b>	428
Net goods and services tax received/(paid)		<b>331</b>	(319)
<b>Net cash flows provided by operating activities</b>	24	<b><u>2,231</u></b>	<u>(1,841)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Lease payments	21	<b>(401)</b>	(643)
<b>Net cash flows (used in) financing activities</b>		<b><u>(401)</u></b>	<u>(643)</u>
<b>NET INCREASE IN CASH</b>			
Cash at the beginning of the year	14	<b>8,364</b>	10,848
<b>Cash at the end of the year</b>	14	<b><u>10,194</u></b>	<u>8,364</u>

*The above statement should be read in conjunction with the accompanying notes.*

CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. ABOUT THIS REPORT

These financial statements covers City Parklands Services Pty Ltd as an individual entity. City Parklands Services Pty Ltd is a not-for-profit proprietary Company, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 26 September 2024 in accordance with a resolution of the Board of Directors.

#### (a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

Material accounting policy information relating to the preparation of these financial statements are presented within the notes and are consistent with prior reporting periods unless otherwise stated.

Comparative amounts have, where necessary, been re-classified so as to be consistent with current year disclosures. Such changes are not considered material.

#### (b) Taxation

The Company is a controlled entity of a local government body and is exempt from the provisions of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Payroll Tax.

#### (c) Presentation

Amounts contained in this report and in the financial statements have been rounded to the nearest \$1,000 or, where the amount is less than \$500, to zero, unless disclosure of the full amount is specifically required and are presented in Australian dollars.

#### (d) Significant Accounting Estimates and Judgments

The Company makes a number of estimates and judgements in preparing these financial statements. These are based on the best information available at the time. The significant estimates and judgments relate to the following items and specific information is provided in the relevant note:

- Depreciation - Note 13
- Employee benefits - Note 20
- Lease liabilities - Note 21
- Financial instruments - Note 30

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2024**

**2. OPERATIONAL AND PROJECT FUNDING**

	Note	2024 \$'000	2023 \$'000
Parkland service fees	(a)	21,028	31,808
Project delivery revenue	(b)	2,664	3,539
		<u>23,692</u>	<u>35,347</u>

**(a) Parkland services fees**

Operational funding is received under a number of funding agreements for the management and operation of Victoria Park/Barrambin, Roma Street Parklands and South Bank Parklands between Brisbane City Council and the Queensland Government.

The Roma Street and South Bank Parklands 10 year operational funding agreement expired on 30 June 2023, with City Parklands entering into a separate 2 year and 11 month (+2 year option) commercial agreement with South Bank Corporation as of 1 August 2023. An extension to the expired Parkland operational funding agreement with the Department of Housing, Local Government, Planning and Public Works for Roma Street Parklands is in place pending negotiation of a separate commercial agreement.

Revenue for the South Bank commercial agreement (as at 1 August 2023) is now shown in note 4.

**(b) Project delivery revenue**

Projects funding arises from agreements with Council and the Queensland Government, to undertake specific works to renovate, improve or construct an item of property, plant and equipment to project specifications, for assets that are under the asset owners control.

The value of deferred revenue in Note 22 represents revenue received for projects, but not yet reached practical completion by the end the financial year.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**3. EVENTS, SPONSORSHIPS AND RELATED REVENUE**

	Note	2024	2023
		\$'000	\$'000
Events and activations	(a)	2,218	1,602
Visitor centre revenue		19	51
Venue hire	(a)	193	341
Advertising and sponsorship revenue		334	1,225
Vendor sales		178	161
Other Income		-	48
		<u>2,942</u>	<u>3,428</u>

(a) This group of revenue is generated from the management and delivery of events, events marketing and communications.

**4. CONTRACTED SERVICES**

	2024	2023
	\$'000	\$'000
South Bank Corporation	9,320	-
Brisbane Coach Terminal	1,037	1,076
Anzac Square	663	-
Newstead House	173	201
	<u>11,193</u>	<u>1,277</u>

Contracted services relates to commercial agreements entered into for the management of the respective precincts together with agreed additional services and deliverables. City Parklands entered into a 2 year and 11 month (+ 2 year option) commercial agreement with South Bank Corporation for the management of the South Bank Parkland which commenced 1 August 2023.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**5. OTHER REVENUE**

	Note	2024 \$'000	2023 \$'000
Interest	(a)	507	428
Insurance proceeds	(b)	983	-
Car Park revenue		256	260
Rental and leasing		55	69
Other revenue		233	49
		<b>2,034</b>	<b>806</b>

(a) Interest income includes interest received or receivable on bank term deposits and other investments.

(b) Insurance proceeds is the amount received from the insurers as settlement in relation to the 2022 flood event at South Bank Parklands and Roma Street Parklands. A further \$1.7 million was also settled in relation to the 2022 flood claim for the rectification works of the water collection facility (rainbank) at South Bank Parklands. Brisbane City Council, City Parklands and South Bank Corporation entered into an agreement with the consent of the insurer to transfer under a deed of arrangement \$1.7 million to South Bank Corporation to complete the rectification works as part of the asset transfer of South Bank assets back to South Bank Corporation.

**6. EMPLOYEE EXPENSES**

	2024 \$'000	2023 \$'000
Wages and salaries	11,709	11,463
Temporary staff expenses	918	442
Annual, sick and long service leave benefits	1,464	1,809
Superannuation contributions and expenses	1,451	1,414
Fringe benefits tax	103	74
Payroll tax	785	733
Worker's compensation	113	110
Other employee costs	173	66
	<b>16,715</b>	<b>16,111</b>
<i>Number of full time equivalent employees at period end</i>	<b>134</b>	<b>144</b>

Wages and salaries includes all normal earnings, overtime and allowances, and casual employees. Other employee costs includes recruitment, amenities and uniforms.

Employee benefits of payroll tax, superannuation and pay as you go tax that are due but unpaid at the reporting date are recognised in Note 19. These current liabilities will be settled within 12 months of the reporting date and are measured at the employees' current salary rates, and not discounted cash flows to their present value.

Refer to Note 20 for the provisions for future annual leave and long service leave.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
	\$'000	\$'000
<b>7. EVENTS, MARKETING AND COMMUNICATIONS</b>		
Event expenditure	2,111	2,931
Marketing expenditure	634	834
Volunteer and visitor experiences	9	45
	<u>2,754</u>	<u>3,810</u>
<b>8. CONTRACTS</b>		
Security	1,783	2,772
Cleaning	1,891	3,485
Lifeguards	55	1,190
	<u>3,729</u>	<u>7,447</u>
<b>9. MAINTENANCE AND LANDSCAPING</b>		
Parklands maintenance	1,616	2,720
Pool, water and irrigation	453	611
Trees, plants, and turf	1,489	1,485
Vehicles and equipment	872	581
	<u>4,430</u>	<u>5,397</u>
<b>10. PROJECT DELIVERY EXPENSES</b>		
Roma Street Parklands	1,894	1,920
South Bank Parklands	-	1,619
Victoria Park/Barrambin	760	320
Capital Project funding refunded	836	500
	<u>3,490</u>	<u>4,359</u>

Projects delivery expenses are for the repair, renovation, improvement or construction of various projects that form part of parklands' assets under the control of Queensland Government and Brisbane City Council as asset owners. Any unspent funding are held on the Statement of Financial Position and then acquitted to the relevant asset owner.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>11. PROPERTY EXPENSES</b>			
Rent expense		67	97
Electricity		487	1,124
Water and sewerage		287	859
Other property costs		35	21
		<u>876</u>	<u>2,101</u>
<b>12. OTHER OPERATING EXPENSES</b>			
Audit fees		32	29
Legal and compliance		133	69
Consultants		316	387
Finance and insurance costs		169	237
IT software and hardware maintenance		1,013	951
General operating costs		66	16
Administration costs		162	298
Training, conferences and seminar fees		109	46
Interest expense on lease liabilities	21 (a)	58	6
Flood recovery costs		-	183
		<u>2,058</u>	<u>2,222</u>
<b>13. DEPRECIATION</b>			
Depreciation - property, plant and equipment	17 (c)	59	135
Depreciation - lease right-of-use asset	18 (a)	405	602
		<u>464</u>	<u>737</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**14. CASH AND CASH EQUIVALENTS**

	2024	2023
	\$'000	\$'000
Cash on hand	1	2
Cash at bank		
- Commonwealth Bank Cheque Account	7,282	5,932
- Queensland Treasury Corporation (QTC)- Capital Guaranteed Fund	2,547	2,430
- Cash deposit - Bank Guarantee	364	-
	<u>10,194</u>	<u>8,364</u>

Cash and cash equivalents includes all cash on hand and deposits received at 30 June as well as deposits held at call with other financial institutions.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of Cash and Cash Equivalents and other financial assets in Note 30 (a).

**15. RECEIVABLES**

	2024	2023
	\$'000	\$'000
Receivables		
- Amount owing from Brisbane City Council	1,341	2,686
- Contractual debtors	2,260	365
- Other	16	-
	<u>3,616</u>	<u>3,051</u>
Accrued income	251	128
GST receivable	-	309
Total receivables	<u>3,867</u>	<u>3,488</u>

Settlement terms are within 30 days from invoice date, unless otherwise agreed. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

No provision has been made for expected credit losses (2023: \$0). Refer to Note 30(b) for the ageing analysis of receivables.

**16. OTHER ASSETS**

	2024	2023
	\$'000	\$'000
Prepayments	150	550
Work in progress - Capex assets	100	-
	<u>250</u>	<u>550</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**17. PROPERTY, PLANT AND EQUIPMENT**

**(a) Property, Plant and Equipment**

	2024	2023
	\$'000	\$'000
Plant and Equipment		
At cost	546	1,437
Accumulated depreciation	<u>(338)</u>	<u>(1,081)</u>
	<u>208</u>	<u>356</u>
Computer Equipment		
At cost	505	1,093
Accumulated depreciation	<u>(505)</u>	<u>(1,093)</u>
	<u>-</u>	<u>-</u>
Leasehold Improvements		
At cost	15	437
Accumulated depreciation	<u>(7)</u>	<u>(398)</u>
	<u>8</u>	<u>39</u>
Total Property, plant and equipment	<u><u>216</u></u>	<u><u>395</u></u>

**(b) Property, Plant and Equipment accounting policies**

**Capitalisation/Expensing of Assets**

Items of property, plant and equipment with purchases costing less than \$10,000 are expensed in the year of acquisition. All other items of plant and equipment are capitalised.

**Depreciation**

Assets are depreciated from the date of acquisition, and when an asset is completed and commissioned ready for use.

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. The estimated useful lives used for each class of depreciable asset are shown below:

Plant and equipment - 3 - 20 years  
 Computer equipment - 2 - 5 years  
 Leasehold improvements - 5 - 10 years

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**17. PROPERTY, PLANT AND EQUIPMENT (continued)**

**(c) Net movements in carrying amounts of property, plant and equipment**

	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Balance as at 1 July 2023	<b>356</b>	<b>40</b>	<b>396</b>
Loss on disposal	<b>(98)</b>	<b>(23)</b>	<b>(121)</b>
Depreciation expense - Note 13	<b>(51)</b>	<b>(8)</b>	<b>(59)</b>
<b>Total as at 30 June 2024</b>	<b>208</b>	<b>8</b>	<b>216</b>
Balance as at 1 July 2022	464	82	546
Disposals / write-offs at cost	(128)	-	(128)
Disposals depreciation write back	114	-	114
Depreciation expense - Note 13	(93)	(42)	(135)
Total as at 30 June 2023	356	40	396

**18. RIGHT-OF-USE ASSETS**

	2024 \$'000	2023 \$'000
Gross book value	<b>2,334</b>	279
Accumulated depreciation	<b>(560)</b>	(155)
<b>Carrying amount of right of use asset</b>	<b>1,774</b>	124

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18. RIGHT-OF-USE ASSETS (continued)**

**(a) Movement Analysis of Right of Use Asset**

	Buildings \$'000	Vehicles \$'000	Plant and equipment \$'000	Total \$'000
Balance as at 1 July 2023	-	-	124	124
Additions	2,029	26	-	2,055
Depreciation (Note 13)	(304)	(7)	(93)	(405)
<b>Balance as at 30 June 2024</b>	<b>1,724</b>	<b>19</b>	<b>31</b>	<b>1,774</b>
Balance as at 1 July 2022	478	8	228	713
Additions	12	-	-	12
Depreciation (Note 13)	(490)	(8)	(104)	(602)
Balance as at 30 June 2023	-	-	124	124

The Company has leases over buildings, vehicle and equipment. The Company has applied the exception to lease accounting for leases of low value assets (e.g. \$10,000) and short-term (e.g. 12 month) leases.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial indirect costs, prepaid lease payments, and lease incentives received, where applicable. The associated right-of use assets are depreciated over the remaining lease term on a straight line basis.

**Buildings:** The Company leases a commercial building at 300 Queen Street, for a 5 year period which commenced 10 October 2023.

**Vehicles:** The Company leases a vehicle which is used for operational purposes. Vehicle leases generally have a lease term of between 3 and 5 years with lease payments fixed for the term of the lease.

**Plant and equipment:** The Company leases a number of items of equipment.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2024**

**19. PAYABLES**

	2024	2023
	\$'000	\$'000
Payables	640	1,346
Credit card facility	15	-
Other accrued expenses		
- Contractual accrued expenses	503	382
- Project funding (unspent funds)	1,168	-
Total accrued expenses	<u>1,671</u>	<u>382</u>
Payroll tax payable	82	68
PAYG and superannuation payable	414	333
Other payables	184	10
<b>Total Payables</b>	<b><u>3,006</u></b>	<b><u>2,139</u></b>

Project funding unspent funds relates to the balance of funds related to funding received for the delivery of project works on behalf of asset owners which are unspent at year end.

**20. EMPLOYEE BENEFITS**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Annual leave	1,159	1,130
Long service leave	944	1,081
	<u>2,103</u>	<u>2,211</u>
<b>Non-Current</b>		
Long service leave	<u>304</u>	274

Annual leave and long service leave entitlements expected to be settled within 12 months are recognised as a provision for employee benefits in the Statement of Financial Position at their nominal amounts and calculated on the basis of the employees' remuneration levels and includes related employee on-costs that are expected to be paid.

Long Service Leave liability is recognised and measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using future employee remuneration rates and employment related on-costs.

The interest rates attaching to Reserve Bank of Australia, government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**21. LEASE LIABILITIES**

	Note	2024 \$'000	2023 \$'000
Current		390	93
Non-Current		1,444	29
		<u>1,834</u>	<u>122</u>
<b>(a) Movement analysis of lease liabilities</b>			
Balance as at 1 July		122	746
Additions		2,055	13
Lease Payments		(401)	(643)
Total lease Interest Expense	12	58	6
Balance as at 30 June		<u>1,834</u>	<u>122</u>
<b>(b) Maturity analysis of lease liabilities</b>			
Not later than 1 year		390	93
Later than 1 year but not later than 5 years		1,444	29
		<u>1,834</u>	<u>122</u>
<b>(c) Amounts included in the Statement of Comprehensive Income where the Company is the lessee</b>			
Interest expense on lease liabilities		58	6
Depreciation - lease right-of-use asset	13	405	602
		<u>463</u>	<u>608</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2024

**22. OTHER CURRENT LIABILITIES**

	2024	2023
	\$'000	\$'000
Deferred Revenue	3,588	7,937
Other deposits	45	42
	<u>3,633</u>	<u>7,978</u>

Deferred revenue - revenue is received for a service in advance and is recognised as revenue in the financial year when the service is performed.

Included in deferred revenue is an amount of \$2.4 million (2023: \$5.9 million) of project funding for projects that are incomplete at year end. The Company expects to recognise the revenue progressively in the following year, as projects reach point of completion.

**23. CONTRIBUTED EQUITY**

	2024	2023
	\$	\$
2 Ordinary shares fully paid at \$1 each	<u>2</u>	<u>2</u>

Brisbane City Council is the sole shareholder.

**24. CASH FLOW INFORMATION****Reconciliation of net profit/(loss) to the net cash flows from operating activities**

	Note	2024	2023
		\$'000	\$'000
<b>Comprehensive Income</b>		<b>5,224</b>	<b>(1,341)</b>
Adjustment for non-cash items			
Depreciation and amortisation	13	464	737
Loss on disposal of asset	17(c)	121	15
Interest on lease expense	21(a)	58	6
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		<b>(379)</b>	<b>(3,269)</b>
(Increase)/decrease in other current assets		<b>301</b>	<b>(367)</b>
Increase/(decrease) in payables		<b>867</b>	<b>(305)</b>
Increase/(decrease) in other current liabilities		<b>(4,345)</b>	<b>2,274</b>
Increase/(decrease) in employee benefits		<b>(79)</b>	<b>408</b>
<b>Net cash inflow/(outflow) from operating activities</b>		<u><b>2,231</b></u>	<u><b>(1,843)</b></u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2024

**25. RELATED PARTY TRANSACTIONS**

**(a) Directors' Remuneration**

The names of persons who have held the office of Director during the year are:

David Chick	
Bradley Wilson	Resigned 31 May 2024
Narelle Ballini	
Juliet Alabaster	
Peta Harwood - Appointed 28 November 2023	Resigned 5 July 2024

No Directors' remuneration or benefits were paid during the year.

**(b) Transactions with key management personnel (KMP)**

KMP includes the Chief Executive Officer and Executive Management.

The compensation paid to KMP comprises:

	2024	2023
	\$'000	\$'000
Short-term employee benefits	1,112	951
Post-employment benefits	114	140
Long-term benefits	34	47
<b>Total compensation paid</b>	<b>1,260</b>	<b>1,138</b>

**(c) Transactions with Brisbane City Council**

Brisbane City Council is the sole shareholder of the Company. During the year, Council provided operational management fee and project delivery income to the Company (refer Note 2a and 2b).

In addition, the amounts for goods and services supplied by Brisbane City Council, based on normal terms and conditions and at arms length to the Company, were as follows:

	2024	2023
	\$'000	\$'000
Insurance premiums	113	207
Legal services	19	24
Fleet Hire	13	4
Fleet and equipment	185	181
Other	38	103
Waste	171	181
Workers compensation	119	110
	<b>657</b>	<b>809</b>

No dividends were paid to Council in the financial years 2024 and 2023.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 25. RELATED PARTY TRANSACTIONS (continued)

#### (d) Transactions with other related parties

Transactions with other related parties were on market terms, and at arms length and have been assessed as immaterial.

#### (e) Outstanding balances with related parties transactions

The outstanding balances at the end of the financial year in relation to the transactions of the related parties are disclosed in Note 15 and Note 19.

### 26. AUDITOR'S REMUNERATION

Amount paid and payable to Queensland Audit Office (QAO) in respect to the audit for the financial statements of the Company is \$35,000 (2023: \$35,000).

### 27. CONTINGENCIES

At the reporting date, the Company does not have any known contingent liabilities or contingent assets.

### 28. COMMITMENTS

Contractual commitments for the reporting date but not provided for in the financial statements are as follows:

	2024	2023
	\$'000	\$'000
Within one year	4,838	2,254
One to five years	663	179
	<u>5,501</u>	<u>2,433</u>

### 29. ECONOMIC DEPENDENCY

The Company's activities are primarily dependent upon a number of key management and operational funding agreements from the Queensland Government, Brisbane City Council and South Bank Corporation. These agreements account for approximately 80% of total income.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2024

**30. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The carrying amount of each of the following categories of financial assets and liabilities at the end of the reporting year are as follows:

	Note	2024 \$'000	2023 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	14	10,194	8,364
Receivables	15	3,616	3,360
Accrued income	15	251	128
<b>Total financial assets</b>		<b>14,062</b>	<b>11,852</b>
<b>Financial liabilities</b>			
Payables	19	3,006	2,139
Deferred revenue	22	3,588	7,937
Lease liabilities	21	1,834	122
<b>Total financial liabilities</b>		<b>8,428</b>	<b>10,198</b>

**(b) Financial risk management objectives and policies**

The Company's financial instruments comprise receivables, payables, leases, and cash. The Company has limited exposure to financial risks. The Company's risk management program focuses on managing the risks identified below:

**Credit Risk**

The cash component of financial assets is considered to have a low credit risk, as it is held in accounts operated by reputable financial institutions. The Company's financial institution is the only concentration of credit risk for the Company.

The carrying amount of financial assets recorded in the financial statements, represents the Company's maximum exposure to credit risk.

Credit risk associated with the Company's receivables is minimal, as the main debtor is Brisbane City Council and South Bank Corporation. The Company mitigates the risk of financial loss from defaults by dealing with creditworthy counter-parties, ongoing checks and monitoring collectability of outstanding amounts on a regular basis. As at the end of the reporting year, there were no significant concentrations of credit risk. Refer to Note 16 for details of impairment of credit losses of debtors.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 30. FINANCIAL INSTRUMENTS

#### (b) Financial risk management objectives and policies (continued)

##### *Credit Risk (continued)*

The following table discloses the ageing of receivables (Note 15) that are past due but not impaired.

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired		
			30 days \$'000	60 days \$'000	90 days \$'000
<b>30 June 2024</b>					
<b>Receivables</b>	<b>3,615</b>	<b>2,504</b>	<b>1,005</b>	<b>106</b>	<b>-</b>
30 June 2023					
Receivables	3,051	3,038	13	-	-

The carrying amount of financial assets recorded in the financial statements, represents the Company's maximum exposure to credit risk without taking into consideration the value of any collateral obtained.

	Maximum credit exposure	
	2024 \$'000	2023 \$'000
<b>Financial assets and other credit exposure</b>		
Cash and cash equivalents (Note 14)	10,194	8,364
Receivables (Note 15)	3,867	3,488
	<b>14,061</b>	<b>11,852</b>

##### *Liquidity Risk*

Liquidity risk arises when the Company is unable to meet its financial obligations as they fall due. The Company is exposed to liquidity risk through its normal course of operations.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient cash deposits, to cater for unexpected volatility in cash flows.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

### 30. FINANCIAL INSTRUMENTS

#### (b) Financial risk management objectives and policies (continued)

##### *Market Risk*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding financial instruments.

The Company's exposures to market risk are primarily through interest rate risk. The Company does not trade in foreign currency nor undertake any hedging and is not materially exposed to other price risks.

##### **Interest Rate Risk**

The fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rate.

The Company has access to a mix of variable and fixed rate funding options through QTC, so that the interest rate risk exposure can be minimised, where applicable. The Company does not account for any fixed rate financial assets or liabilities, therefore a change in interest rates at the reporting date would not materially affect the Statement of Comprehensive Income.

### 31. SUBSEQUENT EVENTS

New parkland management services agreements are currently being negotiated for Roma Street Parklands and Victoria Park/Barrambin with the Queensland Government and Brisbane City Council respectively. Each of these agreements are anticipated to be for a tenure period no shorter than 5 years. Current extensions to the original contracts are in place for both parklands.

An ordinary dividend of \$2 million payable to the parent entity was declared and paid on 30 August 2024 in respect of the 2024 financial year.

CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318


## DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes for the year ended 30 June 2024 for City Parklands Services Pty Ltd are in accordance with the *Corporations Act 2001*, and:
  - a) comply with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - b) give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director:



David Chick

Director:



Narelle Ballini

Dated: 26 September 2024

## INDEPENDENT AUDITOR'S REPORT

To the Members of City Parklands Services Pty Ltd

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of City Parklands Services Pty Ltd.

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

In my opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulation 2001.

#### 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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

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

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report) included in City Parklands Services Pty Ltd annual report. At the date of this auditor's report, the available other information in City Parklands Services Pty Ltd's annual report for the year ended 30 June 2024 was the directors' 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.

### **Responsibilities of the Directors for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of my auditor's report.



Sri Narasimhan  
as delegate of the Auditor-General

1 October 2024

Queensland Audit Office  
Brisbane