

**CITY PARKLANDS SERVICES PTY LTD**  
**ABN 72 068 043 318**

**DIRECTOR'S REPORT AND ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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## **CITY PARKLANDS SERVICES PTY LTD**

### **DIRECTORS' REPORT**

The Directors' present their report together with the financial report of City Parklands Services Pty Ltd ("the Company") for the financial year ended 30 June 2021 and the auditor's report thereon.

#### **DIRECTORS' NAMES**

The names of the Directors' in office during the financial year and up to the date of this report are:

- Andrea Kenafake (Chair)
- Paul Oberle
- Christopher Isles
- Bradley Wilson
- Stephanie Knobel (Company Secretary)

#### **PRINCIPAL ACTIVITIES**

Brisbane City Council ("Council") and the Queensland Government are committed to providing world class recreation facilities for residents and visitors to Brisbane. As part of this commitment, Council established the Company to manage and operate premier open spaces, parklands and facilities in the Brisbane Local Government area (LGA) including but not limited to South Bank Parklands and Roma Street Parklands. In addition, the Company manages events and marketing activities for the Parklands.

The principal activity of the Company during the financial year was to operate and manage Roma Street Parklands and South Bank Parklands which are owned by the Queensland Government in accordance with the Parklands Management Agreements between Council and the Queensland Government.

#### **OPERATING RESULTS AND REVIEW OF OPERATIONS**

The net loss for the financial year ended 30 June 2021 was \$577,336 (2020: \$915,331 net loss).

The majority of revenue earned by the Company was management fee income from Council. The majority of expenses incurred were in relation to labour costs, parklands maintenance and landscaping, and events, marketing and communications.

**CITY PARKLANDS SERVICES PTY LTD  
DIRECTORS' REPORT (CONT'D)**

**LIKELY FUTURE DEVELOPMENTS**

Overall, the Company wishes to continue to attract visitors from all areas to enjoy the Parklands. More specifically, the vision is for South Bank Parklands to be a world class public open space serving neighbours, the people of Brisbane and providing an attraction to visitors from Queensland, Australia and overseas. The vision is for Roma Street Parkland to be the premier horticultural and light recreational-activity park in Queensland, providing world-class horticultural and ecological planting featuring sub-tropical species from the world. The Company expects to maintain the present status and level of operations.

On 20 April 2021, Council and the Company executed a 'Parkland Management Agreement' for the responsibility of the ongoing management and delivery of key services for Victoria Park, which will transition from a golf course into an iconic public parklands on 1 July 2021. The vision for Victoria Park will be that of an exemplary destination that celebrates the park and Brisbane's heritage offering natural and cultural experiences that contribute to Australia's visitor economy. The total funding for the financial year 30 June 2022 is \$7.04 million.

Rent and trading relief has continued to be extended to some tenants and mobile vendors to 31 December 2020, as a result of the COVID-19 pandemic. The financial impact of this is not material in nature.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

Subsequent to the end of the financial year, pending written formal agreement between the Company and the Newstead House Board of Directors, the Department of Environment and Science has endorsed and allocated funding to the Newstead House Board of Trustees to cover the cost of the delivery of services for management of Newstead House and Garden.

Other than the matter noted above, there were no matters or circumstances that have arisen since the end of the financial year which have significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**CITY PARKLANDS SERVICES PTY LTD  
DIRECTORS' REPORT (CONT'D)**

**DIRECTORS' BENEFITS**

Related party transactions are disclosed in Note 24 of the financial statements.

**COMPANY DETAILS**

The Company is an Australian proprietary company limited by shares, incorporated and registered in Brisbane, Queensland. Brisbane City Council is the sole shareholder.

The registered address is:

Level 7, Brisbane Square  
266 George Street  
Brisbane QLD 4000, Australia

The principal place of business is:

South Bank House  
1 Stanley Street Plaza  
Brisbane QLD 4101, Australia

**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>Entitled to attend</b> | <b>Attended</b> |
|-------------------|---------------------------|-----------------|
| Andrea Kenafake   | 11                        | 11              |
| Paul Oberle       | 11                        | 10              |
| Christopher Isles | 11                        | 11              |
| Bradley Wilson    | 11                        | 11              |

**DIVIDEND PAYMENT**

On 13 October 2020, a payment of \$91,498 was made to Council, being for the financial year 30 June 2020 dividend.

**INDEMNIFICATION OF DIRECTORS AND OFFICERS**

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

**CITY PARKLANDS SERVICES PTY LTD  
DIRECTORS' REPORT**

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included on page 6.

Signed in accordance with a resolution of the Directors.



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**Name:** Andrea Kenafake  
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**Director**



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**Name:** Brad Wilson  
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**Director**



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**Name:** Paul Oberle  
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**Director**

**Date:** 27/8/2021  
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## 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 2021, 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.



Philip Airey  
Director  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

31 August 2021

**CITY PARKLANDS SERVICES PTY LTD  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

|  | Note   | 2021<br>\$        | 2020<br>\$ |
|--|--------|-------------------|------------|
| <b>INCOME</b>  |        |                   |            |
| Management and operational funding                   | 2      | <b>29,850,576</b> | 30,280,366 |
| Other revenue - contracts with customers             | 3      | <b>1,195,145</b>  | 1,944,364  |
| Commercial activities - contracts with customers     | 4      | <b>1,270,322</b>  | 1,286,560  |
| Other revenue  | 5      | <b>306,652</b>    | 124,446    |
| <b>TOTAL INCOME</b>                                  |        | <b>32,622,695</b> | 33,635,736 |
| <b>EXPENSES</b>                                      |        |                   |            |
| Employee expenses                                    | 6      | <b>11,434,955</b> | 11,255,679 |
| Events, marketing and communications                 | 7      | <b>2,444,144</b>  | 2,500,282  |
| Contracts  | 8      | <b>6,800,554</b>  | 6,079,866  |
| Parklands maintenance and landscaping                |        | <b>3,586,953</b>  | 4,880,857  |
| Project expenditure                                  | 15 (c) | <b>3,617,392</b>  | 4,575,383  |
| Property costs                                       | 9      | <b>1,342,056</b>  | 1,414,055  |
| Consultants and contractors                          |        | <b>1,102,941</b>  | 1,195,694  |
| Other operating expenses                             | 10     | <b>1,400,424</b>  | 1,001,027  |
| <b>TOTAL EXPENSES</b>                                |        | <b>31,729,419</b> | 32,902,843 |
| <b>EARNINGS BEFORE DEPRECIATION AND AMORTISATION</b> |        | <b>893,276</b>    | 732,893    |
| Depreciation and amortisation                        | 11     | <b>1,470,612</b>  | 1,648,224  |
| <b>NET (LOSS)/PROFIT FOR THE YEAR</b>                |        | <b>(577,336)</b>  | (915,331)  |

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

**CITY PARKLANDS SERVICES PTY LTD  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

|                                      | Note | 2021<br>\$        | 2020<br>\$        |
|--------------------------------------|------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                |      |                   |                   |
| Cash and cash equivalents            | 13   | 6,383,960         | 4,852,318         |
| Trade and other receivables          | 14   | 2,751,099         | 2,540,233         |
| Other assets                         |      | 88,367            | 98,989            |
| <b>Total Current Assets</b>          |      | <b>9,223,426</b>  | <b>7,491,540</b>  |
| <b>NON-CURRENT ASSETS</b>            |      |                   |                   |
| Property, plant and equipment        | 15   | 2,832,546         | 3,774,398         |
| Right-of-use asset                   | 16   | 1,021,782         | 1,572,816         |
| Intangible assets                    | 17   | 10,245            | 23,784            |
| <b>Total Non-Current Assets</b>      |      | <b>3,864,573</b>  | <b>5,370,998</b>  |
| <b>Total Assets</b>                  |      | <b>13,087,999</b> | <b>12,862,538</b> |
| <b>CURRENT LIABILITIES</b>           |      |                   |                   |
| Trade and other payables             | 18   | 3,284,476         | 3,329,698         |
| Provisions                           | 19   | 1,657,009         | 1,490,202         |
| Lease liabilities                    | 20   | 532,338           | 536,242           |
| Other current liabilities            | 21   | 2,995,208         | 1,578,661         |
| <b>Total Current Liabilities</b>     |      | <b>8,469,031</b>  | <b>6,934,803</b>  |
| <b>NON-CURRENT LIABILITIES</b>       |      |                   |                   |
| Lease liabilities                    | 20   | 507,781           | 1,050,377         |
| Provisions                           | 19   | 272,256           | 369,593           |
| <b>Total Non-Current Liabilities</b> |      | <b>780,037</b>    | <b>1,419,970</b>  |
| <b>Total Liabilities</b>             |      | <b>9,249,068</b>  | <b>8,354,773</b>  |
| <b>Net Assets</b>                    |      | <b>3,838,931</b>  | <b>4,507,765</b>  |
| <b>SHAREHOLDER'S EQUITY</b>          |      |                   |                   |
| Contributed equity                   | 22   | 2                 | 2                 |
| Retained earnings                    |      | 3,838,929         | 4,507,763         |
| <b>Total Shareholder's Equity</b>    |      | <b>3,838,931</b>  | <b>4,507,765</b>  |

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



**CITY PARKLANDS SERVICES PTY LTD  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

|                                   | Note | Contributed<br>equity<br>\$ | Retained<br>earnings<br>\$ | Total<br>\$      |
|-----------------------------------|------|-----------------------------|----------------------------|------------------|
| <b>Balance as at 1 July 2020</b>  | 22   | <b>2</b>                    | <b>4,507,763</b>           | <b>4,507,765</b> |
| Dividend paid                     |      | -                           | (91,498)                   | (91,498)         |
| Net (loss) for the year           |      | -                           | (577,336)                  | (577,336)        |
| <b>Balance as at 30 June 2021</b> |      | <b>2</b>                    | <b>3,838,929</b>           | <b>3,838,931</b> |

  

|                                   | Note | Contributed<br>equity<br>\$ | Retained<br>earnings<br>\$ | Total<br>\$      |
|-----------------------------------|------|-----------------------------|----------------------------|------------------|
| Balance as at 1 July 2019         | 22   | 2                           | 5,850,516                  | 5,850,518        |
| Dividend paid                     |      | -                           | (427,422)                  | (427,422)        |
| Net (loss) for the year           |      | -                           | (915,331)                  | (915,331)        |
| <b>Balance as at 30 June 2020</b> |      | <b>2</b>                    | <b>4,507,763</b>           | <b>4,507,765</b> |

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

**CITY PARKLANDS SERVICES PTY LTD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

|  | Note   | 2021<br>\$       | 2020<br>\$       |
|--|--------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |        |                  |                  |
| Receipts from customers/other sources                  |        | 2,471,396        | 3,320,924        |
| Receipts from management fee income and grants         |        | 34,714,843       | 35,720,833       |
| Payments to suppliers and employees                    |        | (35,078,573)     | (36,605,944)     |
| Interest received                                      | 5      | 63,768           | 75,992           |
| <b>Net cash flows provided by operating activities</b> | 23     | <u>2,171,434</u> | <u>2,511,805</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |        |                  |                  |
| Payments for property, plant and equipment             |        | -                | (343,013)        |
| <b>Net cash flows (used in) investing activities</b>   |        | <u>-</u>         | <u>(343,013)</u> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |        |                  |                  |
| Lease payments   | 20 (b) | (548,294)        | (542,146)        |
| Dividends paid   |        | (91,498)         | (427,422)        |
| <b>Net cash flows (used in) financing activities</b>   |        | <u>(639,792)</u> | <u>(969,568)</u> |
| <b>NET INCREASE IN CASH</b>                            |        |                  |                  |
| Cash at the beginning of the year                      |        | 4,852,318        | 3,653,094        |
| <b>Cash at the end of the year</b>                     | 13     | <u>6,383,960</u> | <u>4,852,318</u> |

Cash flows are included in the cash flow statement on a gross basis. The Goods and Services Tax (GST) component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the Australian Taxation Office (ATO), is classified as operating cash flows and disclosed therein.

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

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Statement of compliance**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

The financial statements were approved by the Board of Directors on 26th August 2021 .

**(b) Basis of preparation**

The financial report is prepared on an accruals basis. Except where stated, the historical cost convention is used. The Company is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applied to not-for-profit entities.

**(c) New and Revised Accounting Standards**

*AASB1059 Service Concession Arrangements: Grantors ("AASB 1059")*

*AASB1059* has become effective for the Company from 1 July 2020, and applies to grantors in service concession arrangements, which involve an operator:

- a) providing public services related to a service concession asset on behalf of a grantor; and
- b) managing at least some of those activities under its own discretion, rather than at the direction of the grantor.

In addition, the grantor must control the asset, which is demonstrated by:

(a) controlling or regulating

- what services the operator must provide with the asset.
- to whom it must provide them, and
- at what price; and

(b) controlling any significant residual interest in the asset at the end of the term of the arrangement.

The Company has considered the impact of applying *AASB1059* and determined that as the Company does not provide any public services relating to a concession asset under service concession arrangements, *AASB 1059* will have no impact on the Company's financial statements.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Use of estimates and judgements**

The Company makes a number of judgements, estimate and assumptions in preparing these financial statements. These are based on the best information available to the Company at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Depreciation and amortisation - Note 15 (c ) and Note 17
- Employee Benefits - Note 19

**(e) Rounding and comparatives**

The financial statements are in Australian dollars and have been rounded to the nearest \$1. Comparative information is generally not restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition in a new Accounting Standard, where adopted.

**(f) 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* except for Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Payroll Tax.

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 inclusive of GST. The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as part of receivables or payables, as applicable.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Revenue Recognition**

Revenue is recognised when significant risks and rewards of ownership has been transferred to the buyer. Each class of income has been assessed as to whether it falls under the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB1058 Income of Not-for Profit Entities* .

The Company will individually review each contract to ascertain if the contracts terms are sufficiently specific and subsequently if the performance obligations are required by the contract. If the performance obligations required by an enforceable contract are sufficiently specific and enable the Company to determine when they have been satisfied, they are recognised as revenue under *AASB 15* . Otherwise, the revenue is accounted for in relation to *AASB 1058* . The detail and timing of recognition, in regard to whether a transaction gives rise to a performance obligation, liability or contribution by owners are in the following respective notes.

- (i) Management and Operational Funding - Note 2
- (ii) Other revenue -contracts with customers - Note 3
- (iii) Commercial activities - contracts with customers - Note 4
- (iv) Other revenue- Note 5

The transaction price is the total amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

**(h) Project Expenditure**

Project expenditure represents capital expenditure funded by the Queensland Government and project work undertaken by the Company on behalf of South Bank Corporation and Department of Communities, Housing and Digital Economy. At the end of the financial year, the value of costs incurred for any capital works project that has not reached a final completion point are included in project expenditure.

**(i) Parklands maintenance and landscaping expenses**

Parklands maintenance are expenses incurred on delivering works on the ground across Southbank Parklands and Roma Street Parklands park and waterways to maintain tracks and bridges, manage pest and weeds and protecting the Park's ecosystem. These expenses are recognised in the reporting period in which they are incurred.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | 2021              | 2020              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>2. MANAGEMENT AND OPERATIONAL FUNDING</b> |                   |                   |
| Operational funding (a)                      | <b>26,175,324</b> | 25,785,354        |
| Capital funding (b)                          | <b>3,675,252</b>  | 4,495,012         |
|  | <b>29,850,576</b> | <b>30,280,366</b> |

**(a) Operational Funding**

Operational funding was received as a result of an agreement between the Brisbane City Council and the Queensland Government. The funding arrangement is enforceable, but the performance measures are subjective, as such operational funding is accounted for in accordance with AASB 1058 *Income of Not-for-Profit Entities* whereby revenue is recognised over time in accordance with the Funding Agreement. Annual operational funding is recognised evenly in a monthly tax invoice for 1/12th of total funding, and is paid in arrears.

**(b) Capital Funding**

Capital funding arises from an agreement between the Council and the Queensland Government, which is enforceable and contains sufficiently specific performance obligations. The revenue is recognised when control of each performance obligation is satisfied. Cash is received upfront for the majority of capital works projects, following the approval of an annual capital works project submission.

Capital funding enables the Company to repair, renovate, improve or construct an item of property, plant and equipment to identified specifications, which will be under the Queensland Government's control, and which is enforceable. Upon completion, the value of the goods or services is either returned to State via project expenditure on the Statement of Comprehensive Income, or retained as a Company asset where used in ongoing operational activities of the Company. Capital funding revenue is recognised in accordance with AASB 15 *Revenue from contracts with customers* at an amount that reflects the consideration to which the Company expects to be entitled in exchange for incurring project expenditure.

The value of unearned revenue as per Note 21 represents revenue on project which have not yet reached practical completion by the end the financial year.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | 2021             | 2020             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>3. OTHER REVENUE - CONTRACTS WITH CUSTOMERS</b> |                  |                  |
| Event recovery and remediation (a)                 | 344,663          | 735,330          |
| Venue & facilities hire (a)                        | 239,825          | 511,082          |
| Visitors Information Centre (a)                    | 8,517            | 97,027           |
| Sponsorship revenue (b)                            | 349,331          | 205,799          |
| Parking revenue (c )                               | 173,056          | 146,300          |
| Rental revenue (d)                                 | 54,034           | 90,254           |
| Other Income                                       | 25,719           | 158,572          |
|  | <b>1,195,145</b> | <b>1,944,364</b> |

Other revenue from contacts with customers represent an engagement subject to sufficiently specific performance obligations under *AASB 15 Revenue from contracts with customers*.

**( a ) Event recovery and remediation, Venue and facilities hire and Visitor Information Centre revenues** are generated from the parkland management and delivery of events, marketing and communications and the management of operations of the South Bank Visitor Information Centre. These revenues are generated throughout the year and is recognised when earned or at the date of the event.

**( b ) Sponsorship revenue** represents the recognition of sponsorship agreements, whereby revenue is recognised over time in accordance with the terms of the agreement, rather than receipt of funding under *AASB1004* . It is recognised evenly over the period of sponsorship.

**( c ) Parking revenue** are generated from the Roma Street Car Park operated by the Brisbane City Council. The Company received 50% of the revenue generated from the meters which are invoiced monthly and is recognised net of cash collected from the customers.

**( d ) Rental revenue** represents income that arises from the lease agreement of the commercial tenancy of the activities buiding at the Roma Street Parklands. The revenue is recognised when it is earned.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | <b>2021</b>      | <b>2020</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| <b>4. COMMERCIAL ACTIVITIES - CONTRACTS WITH CUSTOMERS</b> |                  |             |
| Commercial revenue   | <b>1,270,322</b> | 1,286,560   |

**Commercial revenue** relates to the operational management and consulting services for precincts other than South Bank Parklands and Roma Street Parkland and are recognised based on the timing of the provision of the service or completion of works in accordance with *AASB 15 Revenue from Contracts with Customers* over time in accordance with the agreement.

Included in the Commercial Revenue is an upfront instalment of \$140,959 with regards to the financial year 2021/2022 Victoria Park funding.

|                         | <b>2021</b>    | <b>2020</b> |
|-------------------------|----------------|-------------|
|                         | <b>\$</b>      | <b>\$</b>   |
| <b>5. OTHER REVENUE</b> |                |             |
| Interest income         | <b>63,768</b>  | 75,992      |
| Other income            | <b>242,884</b> | 48,454      |
|                         | <b>306,652</b> | 124,446     |

**Interest income** includes interest received or receivable on bank term deposits and other investments. Interest income is received on a time proportionate basis that takes into account the effective yield on the financial asset.

The increase in Other income from prior year is largely due to Centrelink parental funds for two employees and apprentice government wages subsidy.



**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|   | <b>2021</b>       | <b>2020</b> |
|---|-------------------|-------------|
|   | <b>\$</b>         | <b>\$</b>   |
| <b>6. EMPLOYEE EXPENSES</b>                                 |                   |             |
| Wages and salaries  | <b>8,593,749</b>  | 8,413,431   |
| Annual, sick and long service leave benefits                | <b>1,191,360</b>  | 1,188,740   |
| Superannuation contributions and expenses                   | <b>1,029,088</b>  | 1,020,154   |
| Fringe benefits tax   | <b>56,873</b>     | 56,047      |
| Payroll tax   | <b>515,499</b>    | 417,803     |
| Worker's compensation                                       | <b>48,386</b>     | 159,504     |
|   | <b>11,434,955</b> | 11,255,679  |
| <b>Number of full time equivalent employees at year end</b> | <b>110</b>        | 106         |

Employee benefits in respect of payroll tax, superannuation and PAYG that are due and unpaid at reporting date are recognised in Note 18 . These liabilities are expected to be settled wholly within 12 months of the reporting date and are measured at their nominal amounts in respect of employees' current salary rates and does not discount cash flows to their present value.

Non-vesting sick leave is not expected to exceed current and future sick leave entitlements, and accordingly, no liability has been recognised.

Refer to Note 19 for accounting policy for annual leave and long service leave.

|   | <b>2021</b>      | <b>2020</b> |
|---|------------------|-------------|
|   | <b>\$</b>        | <b>\$</b>   |
| <b>7. EVENTS, MARKETING &amp; COMMUNICATION</b> |                  |             |
| Event expenditure                               | <b>1,433,531</b> | 1,268,907   |
| Marketing expenditure                           | <b>911,635</b>   | 592,470     |
| Brisbane Economic Development Agency (BEDA)     | <b>89,000</b>    | 515,756     |
| Visitors experience                             | <b>9,978</b>     | 123,149     |
|   | <b>2,444,144</b> | 2,500,282   |

Events, marketing and communication expenses are expenses related to the production and/or hosting of events, marketing and the management of the operation of the SouthBank Visitor Information Centre. These costs are recognised as incurred, on a historical cost basis.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | <b>2021</b>      | <b>2020</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| <b>8. CONTRACTS</b>  |                  |                  |
| Security   | <b>2,387,328</b> | 2,080,277        |
| Cleaning and hygiene   | <b>3,354,833</b> | 3,044,775        |
| Lifeguards   | <b>1,058,393</b> | 954,814          |
|  | <b>6,800,554</b> | <b>6,079,866</b> |
| <b>9. PROPERTY COSTS</b>   |                  |                  |
| Rent expense   | <b>96,278</b>    | 83,622           |
| Electricity  | <b>540,404</b>   | 606,350          |
| Water & sewerage   | <b>693,978</b>   | 697,407          |
| Other property costs   | <b>11,396</b>    | 26,676           |
|  | <b>1,342,056</b> | <b>1,414,055</b> |
| <p>Rent expense represents the impact of the AASB 16 Leases as detailed in Note 16 and Note 20. Expenditure remaining within the rent expense relates to rental outgoings.</p> |                  |                  |
| <b>10. OTHER OPERATING EXPENSES</b>  |                  |                  |
| IT expenses  | <b>802,755</b>   | 435,395          |
| Insurance expense  | <b>232,604</b>   | 234,560          |
| Interest expenditure - Lease (Note 20)   | <b>17,036</b>    | 23,813           |
| Training, conferences and seminar fees   | <b>54,138</b>    | 68,818           |
| Other administration expenses  | <b>293,891</b>   | 238,441          |
|  | <b>1,400,424</b> | <b>1,001,027</b> |
| <b>11. DEPRECIATION AND AMORTISATION</b>   |                  |                  |
| Depreciation - property, plant & equipment (Note 15 (c))   | <b>921,281</b>   | 1,112,017        |
| Amortisation - software (Note 17)  | <b>13,539</b>    | 4,071            |
| Depreciation - lease right-of-use asset (Note - 16 (a))  | <b>535,792</b>   | 532,136          |
|  | <b>1,470,612</b> | <b>1,648,224</b> |
| <b>12. AUDITOR'S REMUNERATION</b>  |                  |                  |

Amount paid and payable to Queensland Auditor's Office (QAO) in respect to the audit for the financial report of the Company is \$23,000 (2020:\$21,000).

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|                                      | <b>2021</b>      | <b>2020</b> |
|--------------------------------------|------------------|-------------|
|                                      | <b>\$</b>        | <b>\$</b>   |
| <b>13. CASH AND CASH EQUIVALENTS</b> |                  |             |
| Cash on hand                         | <b>1,096</b>     | 1,328       |
| Cash at bank                         |                  |             |
| - CBA Cheque Account                 | <b>1,231,417</b> | 915,025     |
| - QTC - Capital Guaranteed Fund      | <b>5,151,447</b> | 3,935,965   |
|                                      | <b>6,383,960</b> | 4,852,318   |

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and subject to an insignificant risk of changes in value.

Surplus funds are invested in the Queensland Treasury Corporation (QTC) Capital Guaranteed Cash Fund account and redrawn when required.

The Company's exposure to interest rate risk is discussed in Note 28 (b). 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 28 (b).

**14. TRADE AND OTHER RECEIVABLES**

|  |                  |           |
|--|------------------|-----------|
| Trade receivables                              |                  |           |
| - amount owing from Brisbane City Council      | <b>2,398,168</b> | 2,379,247 |
| - contractual debtors                          | <b>289,627</b>   | 115,098   |
| Total Trade Receivables                        | <b>2,687,795</b> | 2,494,345 |
| Accrued income                                 | <b>19,058</b>    | 3,414     |
| GST receivable                                 | <b>44,246</b>    | 42,474    |
| Carrying amount of trade and other receivables | <b>2,751,099</b> | 2,540,233 |

Trade receivables predominantly includes amounts owing from the Brisbane City Council for operations funding, and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Trade and other receivables are recognised at original invoice amount less any allowances for uncollectible amounts.

**CITY PARKLANDS SERVICES PTY LTD  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**14. TRADE AND OTHER RECEIVABLES (Cont'd)**

Collectibility of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off when there is no reasonable expectation of recovery. An assessment of receivable is performed on an individual basis and expected losses from all possible default event over the expected life of the receivables, including any impact of COVID-19, are recognised in the form of impairment losses of receivables when there is an objective evidence that the Company will not be able to collect all amount due according to the original terms of the receivables. No provision for expected credit losses was recorded for trade and receivables at the end of the year (2020:nil). Refer to Note 28(b) for the ageing analysis of trade receivables.

All known bad debts are written-off in the period in which they are incurred. Bad Debts written off in the financial year is \$19,828 (2020:\$16,024). If an amount is recovered in the subsequent period it is recognised as Other Income in Statement of Comprehensive Income.

Information about the nature and extent of credit and interest rate risks arising from trade and other receivables are included in Note 28 (b).

Trade and Other receivables including accrued income are expected to be settled within 12 months of the end of the reporting period and are classified as Current Assets.

Trade and other receivables are contractual and are classified as financial instruments and categorised financial assets at amortised costs using the effective interest rate method, and generally settled within 14 to 30 days.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | <b>2021</b>        | <b>2020</b> |
|--|--------------------|-------------|
|  | <b>\$</b>          | <b>\$</b>   |
| <b>15. PROPERTY, PLANT AND EQUIPMENT</b> |                    |             |
| <b>(a) Property, Plant and Equipment</b> |                    |             |
| Plant & Equipment                        |                    |             |
| At cost                                  | <b>6,114,515</b>   | 6,182,308   |
| Accumulated depreciation                 | <b>(3,469,084)</b> | (2,837,865) |
|  | <b>2,645,431</b>   | 3,344,443   |
| Computer Equipment                       |                    |             |
| At cost                                  | <b>2,420,029</b>   | 2,420,029   |
| Accumulated depreciation                 | <b>(2,357,444)</b> | (2,156,893) |
|  | <b>62,585</b>      | 263,136     |
| Leasehold Improvements                   |                    |             |
| At cost                                  | <b>439,174</b>     | 439,175     |
| Accumulated depreciation                 | <b>(314,644)</b>   | (272,356)   |
|  | <b>124,530</b>     | 166,819     |
| Total Property, plant and equipment      | <b>2,832,546</b>   | 3,774,398   |

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

*Recognition and Measurement*

Items of property, plant and equipment, except for right-of-use assets, are initially and subsequently recorded at cost on acquisition. Where an asset is acquired for no or nominal cost, the cost is recognised at its fair value at the date of acquisition. Cost is determined as the fair value of the assets given as consideration, plus costs directly attributable to bringing the asset to a location and condition capable of being used by the Company.

**CITY PARKLANDS SERVICES PTY LTD  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**15. PROPERTY, PLANT AND EQUIPMENT**

**(b) Property, Plant and Equipment (Cont'd)**

Assets are depreciated from the date of acquisition, or in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from Work in Progress to the appropriate property, plant and equipment class.

*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*

The useful lives applying to each class of depreciable asset for the 2020 and 2021 financial years are:

- Plant and Equipment - Straight Line - Between 3 and 20 years
- Computer equipment - Straight Line - Between 2 and 5 years
- Leasehold Improvements - Straight Line - Between 5 and 10 years

Depreciation rates (useful lives), residual values and methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

*Derecognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e at the date the Company loses control or when no future economic benefits are expected from its use or disposal). Any gain or loss arising on derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset. This is included in the Statement of Comprehensive Income upon derecognition.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**15. PROPERTY, PLANT AND EQUIPMENT**

**( c ) Net Movements in Carrying Amounts of Property, plant and equipment**

|                                  | Plant<br>& Equipment<br>\$ | Computer<br>Equipment<br>\$ | Leasehold<br>Improvements<br>\$ | Work in<br>Progress<br>\$ | Total<br>\$        |
|----------------------------------|----------------------------|-----------------------------|---------------------------------|---------------------------|--------------------|
| <b>Balance as at 1 July 2020</b> | <b>3,344,443</b>           | <b>263,136</b>              | <b>166,819</b>                  | <b>-</b>                  | <b>3,774,398</b>   |
| Additions                        |                            |                             |                                 | <b>3,617,392</b>          | <b>3,617,392</b>   |
| Disposals / write-offs           | <b>(20,571)</b>            | <b>-</b>                    | <b>-</b>                        |                           | <b>(20,571)</b>    |
| Transfers to project expenditure | <b>-</b>                   | <b>-</b>                    | <b>-</b>                        | <b>(3,617,392)</b>        | <b>(3,617,392)</b> |
| Depreciation expense - Note 11   | <b>(678,441)</b>           | <b>(200,551)</b>            | <b>(42,289)</b>                 | <b>-</b>                  | <b>(921,281)</b>   |
| <b>Total as at 30 June 2021</b>  | <b>2,645,431</b>           | <b>62,585</b>               | <b>124,530</b>                  | <b>-</b>                  | <b>2,832,546</b>   |
| <b>Balance as at 1 July 2019</b> | <b>3,775,145</b>           | <b>608,536</b>              | <b>187,577</b>                  | <b>-</b>                  | <b>4,571,258</b>   |
| Additions                        | <b>57,596</b>              | <b>83,027</b>               | <b>20,693</b>                   | <b>4,767,097</b>          | <b>4,928,413</b>   |
| Disposals / write-offs           | <b>(37,873)</b>            | <b>-</b>                    | <b>-</b>                        | <b>-</b>                  | <b>(37,873)</b>    |
| Transfers between asset classes  | <b>191,714</b>             | <b>-</b>                    | <b>-</b>                        | <b>(191,714)</b>          | <b>-</b>           |
| Transfers to project expenditure | <b>-</b>                   | <b>-</b>                    | <b>-</b>                        | <b>(4,575,383)</b>        | <b>(4,575,383)</b> |
| Depreciation expense - Note 11   | <b>(642,139)</b>           | <b>(428,427)</b>            | <b>(41,451)</b>                 | <b>-</b>                  | <b>(1,112,017)</b> |
| <b>Total as at 30 June 2020</b>  | <b>3,344,443</b>           | <b>263,136</b>              | <b>166,819</b>                  | <b>-</b>                  | <b>3,774,398</b>   |

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|                                 | <b>2021</b>        | <b>2020</b> |
|---------------------------------|--------------------|-------------|
|                                 | <b>\$</b>          | <b>\$</b>   |
| <b>16. RIGHT-OF-USE ASSET</b>   |                    |             |
| Gross book value                | <b>2,089,710</b>   | 2,104,952   |
| Accumulated depreciation        | <b>(1,067,928)</b> | (532,136)   |
| Carrying amount of right of use | <b>1,021,782</b>   | 1,572,816   |

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

|   | <b>Buildings</b> | <b>Vehicles</b> | <b>Plant<br/>&amp; Equipment</b> | <b>Total</b>     |
|---|------------------|-----------------|----------------------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>       | <b>\$</b>                        | <b>\$</b>        |
| Recognition of ROU asset on initial application of AASB 16 at 1 July 2019 | 1,937,488        | 30,076          | 96,790                           | 2,064,354        |
| Additions to right-of-use assets  | -                | -               | 40,598                           | 40,598           |
| Depreciation charge (Note 11)   | (484,372)        | (10,312)        | (37,452)                         | (532,136)        |
| <b>Total as at 30 June 2020</b>   | <b>1,453,116</b> | <b>19,764</b>   | <b>99,936</b>                    | <b>1,572,816</b> |
| Adjustments   | (15,242)         | -               | -                                | (15,242)         |
| Depreciation charge (Note 11)   | (476,751)        | (10,312)        | (48,729)                         | (535,792)        |
| <b>Total as at 30 June 2021</b>   | <b>961,123</b>   | <b>9,452</b>    | <b>51,207</b>                    | <b>1,021,782</b> |

The Company has leases in place 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 Company assesses at contract inception where a contract is, or contains a lease. The right-of-use asset and a lease liability (Note 20) are recognised at the lease inception date (i.e. the date the underlying asset is available for use). The Company does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

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, less any lease incentives received, where applicable. The associated right-of use assets are depreciated over the remaining lease term on a straight-line basis.



**CITY PARKLANDS SERVICES PTY LTD  
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**16. RIGHT-OF-USE-ASSET**

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease, discounted using the Queensland Treasury Corporation's incremental borrowing rate as of 30 June 2020 at 1.31%. The lease payments are allocated between repayment of lease liability and interest expense (charged to Statement of Comprehensive Income) over the lease term. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the conditions of the lease agreement.

**Buildings:** The Company leases commercial buildings from South Bank Corporation, which are used for offices, storage and are the location of Parkland operational facilities. The leases are a 10 year term from 1 July 2013, with combined monthly instalments due on the first of each month.

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

**Plant & Equipment:** The Company leases a number of items of equipment. The majority of equipment include a number of the assets which are considered low value and are therefore not subject to lease accounting. The more significant items, including a Bobcat and Skit Steer Loader have lease terms of 3 years and fixed payments for the term of the leases.

**CITY PARKLANDS SERVICES PTY LTD**  
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|  | 2021            | 2020           |
|--|-----------------|----------------|
|  | \$              | \$             |
| <b>17. INTANGIBLE ASSETS</b>                   |                 |                |
| <i><b>Gross carrying amount</b></i>            |                 |                |
| Gross carrying amount opening balance          | 27,855          | -              |
| Additions                                      | -               | 27,855         |
| <b>Closing balance</b>                         | <b>27,855</b>   | <b>27,855</b>  |
| <i><b>Accumulated amortisation</b></i>         |                 |                |
| Opening balance                                | (4,071)         | -              |
| Amortisation expense - Note (11)               | (13,539)        | (4,071)        |
| <b>Closing balance</b>                         | <b>(17,610)</b> | <b>(4,071)</b> |
| <b>Net book value at end of financial year</b> | <b>10,245</b>   | <b>23,784</b>  |

Intangible Assets includes business systems and computer software and are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at costs less accumulated amortisation. Cost incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Company. Amortisation is calculated on a straight-line method for 3 years (2020: 3 years).

Amortisation rates are reviewed annually and, if necessary, adjusted to reflect the most recent assessments of the useful lives and residual values of the respective assets.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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|  | <b>2021</b>      | <b>2020</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| <b>18. TRADE &amp; OTHER PAYABLES</b>  |                  |             |
| <b>Current</b>                         |                  |             |
| Trade payables                         | <b>656,253</b>   | 931,531     |
| Related party payables                 |                  |             |
| - Brisbane City Council                | <b>207,688</b>   | 166,238     |
| - Brisbane Economic Development Agency | <b>49,750</b>    | -           |
| Total Related party payables           | <b>257,438</b>   | 166,238     |
| Other Accrued expenses                 |                  |             |
| - contractual accrued expenses         | <b>404,699</b>   | 183,480     |
| - capital funding savings (a)          | <b>1,238,938</b> | 1,661,378   |
| - capital works accruals               | <b>296,673</b>   | 121,244     |
| Total Accrued expenses                 | <b>1,940,310</b> | 1,966,102   |
| Payroll Tax payable                    | <b>333,522</b>   | 184,826     |
| PAYG and superannuation payable        | <b>78,560</b>    | 71,601      |
| Other payables                         | <b>18,393</b>    | 9,400       |
| <b>Total Trade and other payables</b>  | <b>3,284,476</b> | 3,329,698   |

Trade and Other Payables represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of those goods and services. These amounts are unsecured and non-interest bearing and are usually paid within 30 days of recognition (2020:30 days).

Trade and Other Payables are classified as financial instruments and due to the short term nature of these payables, their carrying value approximates their fair value.

Information about the nature and extent of credit and interest rate risks arising from trade and other payables are included in Note 28 (b).

(a) This represents previous years' unspent capital funding to be returned to the Queensland Government, and can be called upon at any time.

**CITY PARKLANDS SERVICES PTY LTD**  
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| <b>19. PROVISIONS</b>               | <b>2021</b>      | <b>2020</b> |
|-------------------------------------|------------------|-------------|
|                                     | <b>\$</b>        | <b>\$</b>   |
| <i>Employees Benefits Provision</i> |                  |             |
| <b>Current</b>                      |                  |             |
| Annual Leave                        | <b>721,832</b>   | 743,452     |
| Long service Leave                  | <b>935,177</b>   | 746,750     |
|                                     | <b>1,657,009</b> | 1,490,202   |
| <b>Non-Current</b>                  |                  |             |
| Long service Leave                  | <b>272,256</b>   | 369,593     |

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

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 estimates are adjusted for the probability of the employee remaining in the Company's employment which would result in the Company being required to meet the liability. 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.

***Current vs Non-Current***

(a) Employee benefits provisions have been classified as current liabilities as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(b) Employee benefits provisions that are reported as non-current liabilities also include long-term benefits that do not qualify for recognition as a current liability, and are measured at present value. The non-current liability for long service leave represents entitlements accrued for employees with less than 7 years of continuous service, where the Company has the right to defer the liability until the employee has completed the requisite years of service.

**CITY PARKLANDS SERVICES PTY LTD**  
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| <b>20. LEASE LIABILITIES</b> | <b>2021</b>      | <b>2020</b> |
|------------------------------|------------------|-------------|
|                              | <b>\$</b>        | <b>\$</b>   |
| Current                      | <b>532,338</b>   | 536,242     |
| Non Current                  | <b>507,781</b>   | 1,050,377   |
|                              | <b>1,040,119</b> | 1,586,619   |

*(a) Movement Analysis of lease liabilities*

|   | <b>Present Value</b> | <b>Finance Charge</b> | <b>Total</b>     |
|---|----------------------|-----------------------|------------------|
| Adoption of AASB 16 - 1 July 2019             | 2,118,783            | (54,428)              | 2,064,355        |
| Additions                                     | 41,400               | (803)                 | 40,597           |
| Lease Payments                                | (542,146)            | -                     | (542,146)        |
| Lease Interest Expense (Note 10)              | -                    | 23,813                | 23,813           |
| <b>Balance as at 30 June 2020</b>             | <b>1,618,037</b>     | <b>(31,418)</b>       | <b>1,586,619</b> |
| Adjustments of modification to lease payments | (15,748)             | 506                   | (15,242)         |
| Lease Payments                                | (548,294)            | -                     | (548,294)        |
| Lease Interest Expense (Note 10)              | -                    | 17,036                | 17,036           |
| <b>Balance as at 30 June 2021</b>             | <b>1,053,995</b>     | <b>(13,876)</b>       | <b>1,040,119</b> |

*(b) Maturity Analysis of lease liabilities*

|  | <b>2021</b>      | <b>2020</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| Not later than 1 year                        | <b>532,338</b>   | 536,242     |
| Later than 1 year but not later than 5 years | <b>507,781</b>   | 1,050,377   |
|  | <b>1,040,119</b> | 1,586,619   |

*(c) Amounts included in the Statement of Comprehensive Income where the Company is the lessee*

|  | <b>2021</b>    | <b>2020</b> |
|--|----------------|-------------|
|  | <b>\$</b>      | <b>\$</b>   |
| Interest expense on lease liabilities (Note 10)        | <b>17,036</b>  | 23,813      |
| Depreciation expense of right-to-use assets Note 16(a) | <b>535,792</b> | 532,136     |
|  | <b>552,828</b> | 555,949     |

*(d) Accounting Policy for Leases is detailed within Note 16.*

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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|                                      | <b>2021</b>      | <b>2020</b>      |
|--------------------------------------|------------------|------------------|
|                                      | <b>\$</b>        | <b>\$</b>        |
| <b>21. OTHER CURRENT LIABILITIES</b> |                  |                  |
| Unearned revenue                     | 2,965,290        | 1,555,191        |
| Other deposits                       | 29,918           | 23,470           |
|                                      | <u>2,995,208</u> | <u>1,578,661</u> |

Where consideration is received for a service in advance, it is included in Other Current Liabilities and is recognised as revenue in the period when the service is performed.

Included in unearned revenue is an amount of \$2,869,361 (2020:\$1,401,714) of capital funding for the revenue on incomplete projects as at year-end. The Company expects to recognise the revenue progressively in the following year, as capital projects reach point of completion.

**22. CONTRIBUTED EQUITY**

|                                 |          |          |
|---------------------------------|----------|----------|
| 2 shares of \$1 each fully paid | <u>2</u> | <u>2</u> |
|---------------------------------|----------|----------|

Brisbane City Council is the sole shareholder.

|   | <b>2021</b>             | <b>2020</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| <b>23. CASH FLOW INFORMATION</b>  |                         |                         |
| <b>Reconciliation of net profit to the net cash flows from operating activities</b> |                         |                         |
| <b>Net (Loss)</b>   | <b>(577,336)</b>        | <b>(915,331)</b>        |
| <b>Non-cash items</b>   |                         |                         |
| Depreciation and amortisation   | 1,470,612               | 1,648,224               |
| Loss on disposal of property, plant & equipment                                     | 20,571                  | -                       |
| Interest on lease expense   | 17,036                  | 23,813                  |
| <b>Changes in assets and liabilities:</b>   |                         |                         |
| (Increase) / decrease in  |                         |                         |
| Trade and other receivables   | (210,866)               | 382,390                 |
| Other current assets  | 10,622                  | (27,322)                |
| Increase (decrease) in  |                         |                         |
| Trade and other payables  | (38,774)                | (644,887)               |
| Unearned income   | 1,410,099               | 1,555,191               |
| Provisions  | 69,470                  | 489,727                 |
| <b>Net cash flow provided by operating activities</b>                               | <u><b>2,171,434</b></u> | <u><b>2,511,805</b></u> |

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**24. RELATED PARTY TRANSACTIONS**

**a) Directors' Remuneration**

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

- A Kenafake
- P Oberle
- C Isles
- B Wilson

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

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

KMP include the Chief Executive Officer, Executive Management and Operational Managers.

The compensation paid to KMP comprises:

|                                | <b>2021</b>      | <b>2020</b>      |
|--------------------------------|------------------|------------------|
|                                | <b>\$</b>        | <b>\$</b>        |
| Short-term employee benefits   | <b>1,544,253</b> | 1,283,907        |
| Post-employment benefits       | <b>182,828</b>   | 145,788          |
| Long-term benefits             | <b>22,891</b>    | 40,315           |
| Termination benefits           | -                | -                |
| <b>Total compensation paid</b> | <b>1,749,972</b> | <b>1,470,010</b> |

Remuneration expenditure for key management personnel comprises the following components:

**Short-term employee benefits** : includes salaries, allowance and annual and sick leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position. The increase in the short-term employee benefits is mainly due to the termination of Chief Executive Officer, Chief Financial Officer and Chief Operating Officer , additional expenditure by management personnel acting in higher duties during the leadership transition, and increased salaries in accordance with the Parks Enterprise Bargaining Agreements.

**Post-employment benefits** include amounts expensed in respect of employer superannuation obligations. The variance in the post employment benefits is due to the movement in the factors described above (i.e. Short term employee benefits).

**CITY PARKLANDS SERVICES PTY LTD  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**24. RELATED PARTY TRANSACTIONS (con't d)**

**b) Transactions with key management personnel (KMP) (cont'd)**

**Long-term benefits** include amounts expensed in respect of long service leave earned and taken.

**Termination benefits** include entitlements as outlined under the City Parklands Enterprise Bargaining Agreement. No termination benefits were paid in respect of KMP for the 2020 and 2021 financial years.

**c) Transactions with Brisbane City Council**

Brisbane City Council ('Council) is the sole shareholder and ultimate Australian Government controlled entity of the Company. During the year, the Council provided operational management fee income to the Company (refer Note 2).

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

|                      | <b>2021</b>           | <b>2020</b>           |
|----------------------|-----------------------|-----------------------|
|                      | <b>\$</b>             | <b>\$</b>             |
| Electricity          | -                     | 54,957                |
| Legal services       | <b>31,981</b>         | 44,838                |
| Workers compensation | <b>48,386</b>         | 159,500               |
| Insurance premiums   | <b>201,899</b>        | 234,560               |
| Other                | <b>983</b>            | 7,412                 |
| Waste                | <b>182,308</b>        | 158,844               |
|                      | <b><u>465,557</u></b> | <b><u>660,111</u></b> |

Electricity accounts with Power Direct and Stanwell were invoiced directly to the Company since August 2019, rather than Council, which resulted in a decrease of electricity expenses between Council and the Company.

Workers compensation expenses for the current year has decreased significantly due to a reduction in the high-cost claims when compared to prior year. This can be attributable to an improvement in suitable and sustainable return to work options and the nature of the injuries sustained.



**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**24. RELATED PARTY TRANSACTIONS (continued)**

**d) Transactions with Brisbane Economic Development Agency (formerly known as Brisbane Marketing Pty Ltd)**

Brisbane Economic Development Agency (BEDA) is a wholly controlled owned subsidiary of Council. The following transactions occurred between BEDA and the Company.

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| <i><u>Revenue transactions</u></i>                 |             |             |
| Regional flavours revenue                          | -           | 473,463     |
| Sponsorship revenue                                | -           | 111,020     |
| Event revenue                                      | -           | 81,255      |
| Other revenue                                      | -           | 2,105       |
|  | <hr/>       | <hr/>       |
|  | -           | 667,843     |
| <br><i><u>Expenditure transactions</u></i>         |             |             |
| Regional flavours expenditure                      | -           | 917,294     |
| Strategic partnership                              | -           | 500,000     |
| Sponsorship expenditure                            | -           | 45,000      |
| Other marketing expenditure                        | 97,338      | 33,356      |
|  | <hr/>       | <hr/>       |
|  | 97,338      | 1,495,650   |
| <br><i><u>Statement of financial position</u></i>  |             |             |
| Employee entitlements                              | -           | 205,591     |
| Event deposits                                     | -           | 123,426     |
| Visitors Information Centre cash float and takings | -           | 13,503      |
| Other marketing expenditure                        | 49,750      | 33,356      |
|  | <hr/>       | <hr/>       |
|  | 49,750      | 375,876     |

The year-end transactions as at 30 June 2020 are balances following the transfer of the operational management functions of events, event marketing and communications and the South Bank Visitor Information Centre pursuant to the Strategic Partnership Agreement between Brisbane Marketing Pty Ltd and the Company effective 1 July 2019.

**CITY PARKLANDS SERVICES PTY LTD  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**24. RELATED PARTY TRANSACTIONS (continued)**

**e) Transactions with other related parties**

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

**f) 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 14 and Note 18.

**25. CONTINGENCIES**

The Company is currently reviewing its Payroll Tax arrangements. There is a contingent asset related to a possible payroll tax refund, which is yet unconfirmed and there is uncertainty as to whether it will be derived, as it relates to future events outside of the Company's control. At the reporting date, the Company does not have any known contingent liabilities or contingent assets.

**26. COMMITMENTS**

Leases are recognised as right-of-use assets (Note 16) and lease liabilities (Note 20) in the Statement of Financial Position.

Other than the matter disclosed above, the Company has no material contractual commitments existed at 30 June 2021.

**27. ECONOMIC DEPENDENCY**

City Parklands Services Pty Ltd.'s activities are dependent upon management and operational funding from Brisbane City Council. Funding support has been agreed to by the Queensland Government to Brisbane City Council until 2023 with an option for a further 10 year extension.

Following each year end, the Company is required to provide information to Council regarding revenues and expenses which are included in a calculation for savings as defined in the Funding Agreement. For the year ended 30 June 2021 there is a proposed savings amount of \$107,473 that has not been taken up, as this has yet to be agreed with the Queensland Government, nor does it include a calculated portion of Council interest revenue. On 30 April 2021, a payment of \$479,145 was made to the Council, being for the 2016-17 Capital work savings.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**28. 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 period are as follows:

|                                     | <b>2021</b>      | <b>2020</b> |
|-------------------------------------|------------------|-------------|
|                                     | <b>\$</b>        | <b>\$</b>   |
| <b>Financial assets</b>             |                  |             |
| Cash and cash equivalents (Note 13) | <b>6,383,960</b> | 4,852,318   |
| Trade receivables (Note 14)         | <b>2,687,795</b> | 2,494,345   |
| Accrued income (Note 14)            | <b>19,058</b>    | 3,414       |
| <b>Total financial assets</b>       | <b>9,071,755</b> | 7,346,663   |
| <b>Financial liabilities</b>        |                  |             |
| Trade and other payables (Note 18)  | <b>3,284,476</b> | 3,329,698   |
| Unearned revenue (Note 21)          | <b>2,965,290</b> | 1,555,191   |
| Leased liabilities (Note 20)        | <b>1,040,119</b> | 1,586,619   |
| <b>Total financial liabilities</b>  | <b>7,289,885</b> | 6,471,508   |

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

The Company's principal financial instruments comprise receivables, payables 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***

Credit risk arises from the financial assets of the Company, which comprises cash and cash equivalents and trade and other receivables.

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

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**28. FINANCIAL INSTRUMENTS**

**b) Financial risk management objectives and policies (cont'd)**

***Credit Risk***

The Company's exposure to credit risk arises from the potential default of the Company's receivables on their contractual obligations resulting in financial loss to the Company. Credit risk associated with the Company's financial assets is minimal because the main debtor is the Brisbane City Council. No collateral is held as security and there are no other credit enhancements for debtors other than Brisbane City Council. The Company mitigates the risk of financial loss from defaults by dealing with creditworthy counterparties, ongoing checks and monitoring collectability of outstanding amounts on a regular basis. As at the end of the reporting period, there were no significant concentrations of credit risk. Refer to Note 14 for details of impairment of credit losses of debtors.

The following table discloses the ageing only of trade receivables (Note 14) that are past due but not impaired.

|                     | Carrying amount<br>\$ | Not past due and not impaired<br>\$ | Past due but not impaired |               |               |
|---------------------|-----------------------|-------------------------------------|---------------------------|---------------|---------------|
|                     |                       |                                     | 30 days<br>\$             | 60 days<br>\$ | 90 days<br>\$ |
| <b>30 June 2021</b> |                       |                                     |                           |               |               |
| Trade receivables   | 2,687,795             | 2,549,233                           | 28,721                    | 110,710       | (869)         |
| <b>30 June 2020</b> |                       |                                     |                           |               |               |
| Trade receivables   | 2,494,345             | 2,494,345                           | -                         | -             | -             |

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

|   | Maximum credit exposure |                  |
|---|-------------------------|------------------|
|   | 2021<br>\$              | 2020<br>\$       |
| <b>Financial assets and other credit exposure</b> |                         |                  |
| Cash and cash (Note 13)                           | 6,383,960               | 4,852,318        |
| Trade and other receivables (Note 14)             | 2,751,099               | 2,540,233        |
|   | <b>9,135,059</b>        | <b>7,392,551</b> |

**CITY PARKLANDS SERVICES PTY LTD  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**28. FINANCIAL INSTRUMENTS**

**b) Financial risk management objectives and policies (cont'd)**

***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, under both and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

***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 Queensland Treasury Corporation ('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 profit or loss.

***Fair Values***

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

**CITY PARKLANDS SERVICES PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**29. SUBSEQUENT EVENTS**

Subsequent to the end of the financial year, pending written formal agreement between the Company and the Newstead House Board of Directors, the Department of Environment and Science has endorsed and allocated funding to the Newstead House Board of Trustees to cover the cost of the delivery of services for management of Newstead House and Garden.

Other than the matter noted above, there were no matters or circumstances that have arisen since the end of the financial year which have significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**CITY PARKLANDS SERVICES PTY LTD**

**DIRECTORS' DECLARATION**

In the opinion of the directors of City Parklands Services Pty

a) The financial statements and notes of City Parklands Services Pty Ltd as set out on pages 7 to 38 are in accordance with the *Corporations Act 2001* , including

i) giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* ; and

b) 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 Directors.



**Name: Andrea Kenafake**  
**Director**



**Name: Brad Wilson**  
**Director**



**Name: Paul Oberle**  
**Director**

Dated the 27th of August 2021

## 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 Company).

In my opinion, the financial report:

- a) gives a true and fair view of the Company's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Regulations 2001* and the Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, 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 summaries of 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.

#### 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 *Corporations Regulations 2001* and the 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.



Philip Airey  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

31 August 2021