

CITY PARKLANDS SERVICES PTY LTD
ABN 72 068 043 318

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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CITY PARKLANDS SERVICES PTY LTD

ABN 72 068 043 318

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The Directors' present their report on City Parklands Services Pty Ltd ("the Company") for the financial year ended 30 June 2023.

DIRECTORS' NAMES

The names of each person who has been a director during the financial year and to the date of this report are:

- David Chick (Chair)
- Bradley Wilson
- Narelle Ballini
- Juliet Alabaster

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was to operate and manage Roma Street Parklands and South Bank Parklands on behalf of the Queensland Government, and Victoria Park/Barrambin for Council. In addition, the Company manages and produces events and marketing activities for these Parklands.

OPERATING RESULTS

The net loss for the financial year ended 30 June 2023 was \$1,340,534 (2022: \$41,009 loss).

The main source of income is from Brisbane City Council for operations and projects funding. The majority of expenses incurred relate to labour costs, parklands maintenance and landscaping, and events management and marketing.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year (2022: \$92,474). There has been no recommendation for payment of dividends.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The current funding and management agreements that the company has been operating under for the past 10 years ceased on 30 June 2023. New agreements are being negotiated for the continuation of services for the next 5-10 years.

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DIRECTOR'S REPORT (continued)

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Parklands Management Agreement, lease agreement and other associated agreements between the Company, Brisbane City Council, South Bank Corporation and the State Government expired on 30 June 2023. A short term extension was agreed between the parties to 31 July 2023. A new Parklands Services Agreement has been signed with South Bank Corporation, effective from 1 August 2023. The company will provide horticulture, water and general maintenance services for an initial term of 3 years. In addition there are short term agreements in relation to event management and transition services.

As part of the expiry of the previous agreements, South Bank Corporation was granted a call option by the company to purchase certain parkland assets for an agreed consideration. On 1 August 2023 the ownership of South Bank Parkland's assets transfers back to South Bank Corporation.

The Company is also negotiating a new maintenance agreement for Roma Street Parklands which will be directly between the Company and Department of Energy and Public Works. In the interim, Queensland Government have extended existing agreements for the required months, to ensure the Company has continued funding for the future.

LIKELY FUTURE DEVELOPMENTS

In 2021, the Company entered into an agreement with Brisbane City Council for the ongoing management of Victoria Park/Barrambin when this space transitioned from a golf course into a new public parkland from 1 July 2021. This 3-year agreement will expire next financial year, and the company has commenced negotiations for a new medium-term management agreement that will commence on 1 July 2024 and assist with the delivery of the Master Plan and prepare the park for the Brisbane 2032 Olympics and Paralympic Games.

In 2021 the Company entered into a consulting agreement with the Newstead House Board of Trustees to assist with the Conservation Project, and to assist with the secretariat and operational aspects for the Newstead House. In the 2023-24 financial year the Company will enter into a new formal agreement for the provision of integrated services for Newstead House, including event management, visitor engagement, facilities management and finance support.

DIRECTORS' MEETINGS

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

Director	Meetings Held	Attended
David Chick	11	10
Bradley Wilson	11	11
Narelle Ballini	11	11
Juliet Alabaster	11	8

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DIRECTOR'S REPORT (continued)

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.

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:

South Bank House
1 Stanley Street Plaza
Brisbane QLD 4101

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 2023 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: 28 September 2023

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 2023, I declare that, to the best of my knowledge and belief, there have been:

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



Sri Narasimhan
as delegate of the Auditor-General

28 September 2023

Queensland Audit Office
Brisbane

CITY PARKLANDS SERVICES PTY LTD

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$ Restated
INCOME			
Operational and project funding	2	35,347,029	33,656,882
Events, sponsorship and related revenue	3	3,756,123	2,408,797
Commercial activities	4	1,277,635	1,251,676
Other revenue	5	477,285	134,221
TOTAL INCOME		<u>40,858,072</u>	<u>37,451,576</u>
EXPENSES			
Employee expenses	6	15,603,149	13,432,910
Events, marketing and communications	7	3,642,562	3,028,277
Contracts	8	7,447,476	6,940,172
Parklands maintenance and landscaping	9	5,396,562	4,721,482
Project expenses	10	4,358,433	3,045,380
Property expenses	11	2,101,647	1,302,622
Consultants and contractors		1,232,208	1,979,647
Other operating expenses	12	1,679,791	2,276,322
TOTAL EXPENSES		<u>41,461,828</u>	<u>36,726,812</u>
OPERATING RESULT FOR THE YEAR		<u>(603,756)</u>	<u>724,764</u>
Depreciation and amortisation	13	736,778	765,773
TOTAL COMPREHENSIVE INCOME		<u>(1,340,534)</u>	<u>(41,009)</u>

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

CITY PARKLANDS SERVICES PTY LTD

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$ Restated	2021 \$ Restated
CURRENT ASSETS				
Cash and cash equivalents	15	8,364,054	10,847,795	6,383,960
Trade and other receivables	16	3,487,775	218,824	2,751,099
Other assets		550,103	182,658	88,367
Total Current Assets		12,401,932	11,249,277	9,223,426
NON-CURRENT ASSETS				
Property, plant and equipment	17	396,052	545,976	675,072
Right-of-use assets	18	124,033	713,472	1,021,782
Intangible assets	19	-	-	-
Total Non-Current Assets		520,085	1,259,448	1,696,854
TOTAL ASSETS		12,922,016	12,508,725	10,920,280
CURRENT LIABILITIES				
Trade and other payables	20	2,139,111	2,443,884	3,284,476
Employee benefits	21	2,210,778	1,777,553	1,657,009
Lease liabilities	22	93,572	624,149	532,338
Other current liabilities	23	7,978,800	5,703,768	2,995,208
Total Current Liabilities		12,422,261	10,549,354	8,469,031
NON-CURRENT LIABILITIES				
Employee benefits	21	274,023	299,329	272,256
Lease liabilities	22	28,537	122,313	507,781
Total Non-Current Liabilities		302,560	421,642	780,037
TOTAL LIABILITIES		12,724,821	10,970,996	9,249,068
NET ASSETS		197,195	1,537,729	1,671,212
EQUITY				
Contributed equity	24	2	2	2
Accumulated surplus		197,193	1,537,727	1,671,210
TOTAL EQUITY		197,195	1,537,729	1,671,212

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

CITY PARKLANDS SERVICES PTY LTD

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STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 30 JUNE 2023**

	Contributed equity	Accumulated surplus / deficit	Total
	\$	\$	\$
Balance as at 1 July 2022	2	1,537,727	1,537,729
Operating result for the year	-	(1,340,534)	(1,340,534)
Balance as at 30 June 2023	2	197,193	197,195

	Contributed equity	Accumulated surplus / deficit	Total
	\$	\$	\$
Balance as at 1 July 2021	2	1,671,210	1,671,212
Dividend paid	-	(92,474)	(92,474)
Operating result for the year	-	(41,009)	(41,009)
Balance as at 30 June 2022	2	1,537,727	1,537,729

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

CITY PARKLANDS SERVICES PTY LTD

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,033,758	3,127,252
Receipts from operational and project funding		38,904,812	43,426,960
Payments to suppliers and employees		(46,222,319)	(41,424,423)
Interest received	5	427,970	55,070
Net cash flows provided by operating activities	25	(1,855,779)	5,184,859
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	17 (c)	-	(59,726)
Net cash flows (used in) investing activities		-	(59,726)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease payments		(627,962)	(568,824)
Dividends paid		-	(92,474)
Net cash flows (used in) financing activities		(627,962)	(661,298)
NET INCREASE IN CASH			
Cash at the beginning of the year	15	10,847,795	6,383,960
Cash at the end of the year	15	8,364,054	10,847,795

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 above.

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

CITY PARKLANDS SERVICES PTY LTD

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 28 September 2023.

(a) Basis of preparation

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

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(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.

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

(c) Presentation

Amounts included in the financial statements are in Australian dollars. Amounts are rounded to the nearest dollar.

Comparative information reflects the audited prior year financial statements, except where stated otherwise.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the company does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Depreciation and amortisation - Note 17 (c) and Note 19
- Employee benefits - Note 21
- Lease liabilities - Note 22
- Financial instruments - Note 30

(e) 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 *AASB 1058 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) Operational and project funding - Note 2
- (ii) Events, sponsorships and related revenue - Note 3
- (iii) Commercial activities - Note 4
- (iv) Other revenue - Note 5

The transaction price is the total amount of consideration 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Parklands maintenance and landscaping expenses

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
2. OPERATIONAL AND PROJECT FUNDING		
Operational funding	(a) 31,807,907	31,623,525
Project funding	(b) 3,539,122	2,033,357
	<u>35,347,029</u>	<u>33,656,882</u>

(a) Operational Funding

Operational funding is received under an agreement between Brisbane City Council and the Queensland Government. The operational funding is accounted for in accordance with AASB 1058 *Income of Not-for-Profit Entities* and revenue is recognised monthly in accordance with the Funding Agreement.

Operational funding is for the operational management and maintenance of South Bank Parklands, Roma Street Parklands and Victoria Park/Barrambin.

(b) Project Funding

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

Project funding enables the Company to repair, renovate, improve or construct an item of property, plant and equipment to project specifications, for assets that are under the Queensland Government's control. Project funding revenue is recognised in accordance with AASB 15 Revenue from contracts with customers, at an amount that reflects the consideration which the Company has incurred for project expenditure.

The value of Deferred revenue in Note 23 represents revenue received for projects, but not yet reached practical completion by the end the financial year.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		\$	\$
3. EVENTS, SPONSORSHIP AND RELATED REVENUE			
Event recovery and remediation	(a)	1,602,057	1,008,574
Visitor information centre	(a)	50,868	15,973
Venue and facilities hire	(b)	341,201	274,501
Sponsorship revenue	(b)	1,225,000	816,667
Parking revenue	(c)	259,552	136,252
Rental revenue	(d)	229,865	118,245
Other income		47,580	38,585
		<u>3,756,123</u>	<u>2,408,797</u>

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

(b) Sponsorship revenue represents the recognition of the sponsorship agreement payments over the period as specified in the agreement, rather than receipt of funding under *AASB 1058*.

(c) Parking revenue is generated from the public use of Roma Street Car Park. The Company received 50% of the revenue generated from the Brisbane City Council, which is invoiced and recognised monthly.

(d) Rental revenue represents income from leasing of properties at The Garden Café, Roma Street Parklands. The rental income is invoiced and recognised monthly.

(e) Other income is various revenue generated throughout the year and is recognised when it is earned.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
4. COMMERCIAL ACTIVITIES		
Management Fees - Brisbane Coach Terminal	1,076,137	977,741
Consulting Fees - Newstead House	201,498	273,935
	<u>1,277,635</u>	<u>1,251,676</u>

Commercial activities relates to the operational management and consulting services for Brisbane Coach Terminal and Newstead House. The income is recognised upon delivery of the services or completion of works over time in accordance with their agreement, and in accordance with *AASB 15 Revenue from Contracts with Customers*.

5. OTHER REVENUE

Interest income	427,970	55,070
Other income	49,315	79,151
	<u>477,285</u>	<u>134,221</u>

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.

Other income includes apprentice subsidies and other minor revenue that is received throughout the year and is recognised upon receipt.

6. EMPLOYEE EXPENSES

Wages and salaries	11,463,065	10,106,286
Annual, sick and long service leave benefits	1,809,502	1,380,085
Superannuation contributions and expenses	1,414,023	1,229,441
Fringe benefits tax	74,061	59,123
Payroll tax	732,746	592,822
Worker's compensation	109,752	65,153
	<u>15,603,149</u>	<u>13,432,910</u>
Number of full time equivalent employees at period end	<u>144</u>	<u>131</u>

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 20. 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 21 for the provisions for future annual leave and long service leave.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
7. EVENTS, MARKETING AND COMMUNICATIONS		
Event expenditure	2,763,884	2,103,429
Marketing expenditure	834,007	921,506
Volunteer and visitor experiences	44,671	3,342
	<u>3,642,562</u>	<u>3,028,277</u>

Events, marketing and communication expenses relate to the production and/or hosting of events, marketing and communication for activities and the operation of the South Bank Visitor Information Centre. These costs are recognised as incurred, on a historical cost basis.

8. CONTRACTS

Security	2,771,887	2,605,845
Cleaning and waste management	3,485,103	3,297,170
Lifeguards	1,190,486	1,037,157
	<u>7,447,476</u>	<u>6,940,172</u>

9. PARKLANDS MAINTENANCE AND LANDSCAPING

Parklands maintenance	2,719,668	2,225,607
Pool, water and irrigation	611,417	670,973
Trees, plants, and turf	1,484,689	1,329,564
Vehicles and equipment	580,788	495,338
	<u>5,396,562</u>	<u>4,721,482</u>

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.

10. PROJECT EXPENSES

Roma Street Parklands	1,919,710	452,577
South Bank Parklands	1,619,227	1,580,781
Victoria Park/Barrambin	319,820	1,012,023
Capital Project funding refunded	499,676	-
	<u>4,358,433</u>	<u>3,045,380</u>

Project expenses are for the repair, renovation, improvement or construction of various projects that form part of parklands' assets under the Queensland Government's control. Any unspent funding on projects needs to be returned to the Government, and cannot be retained.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
11. PROPERTY EXPENSES			
Rent expense		96,989	81,293
Electricity		1,123,931	571,030
Water and sewerage		859,327	623,679
Other property costs		21,400	26,620
		<u>2,101,647</u>	<u>1,302,622</u>
12. OTHER OPERATING EXPENSES			
Audit fees		29,000	23,700
Flood recovery costs		182,973	851,098
Insurance		236,626	206,737
Interest expenditure - Lease	22	6,195	9,725
IT software and hardware maintenance		866,191	844,179
Other administration expenses		313,165	272,387
Training, conferences and seminar fees		45,641	68,496
		<u>1,679,791</u>	<u>2,276,322</u>
13. DEPRECIATION AND AMORTISATION			
Depreciation - property, plant and equipment	17 (c)	135,212	188,822
Amortisation - software	19	-	-
Depreciation - lease right-of-use asset	18 (a)	601,566	576,951
		<u>736,778</u>	<u>765,773</u>

14. 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 \$29,000 (2022: \$23,700).

CITY PARKLANDS SERVICES PTY LTD

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
15. CASH AND CASH EQUIVALENTS		
Cash on hand	1,859	827
Cash at bank		
- CBA Cheque Account	5,932,344	8,844,186
- QTC - Capital Guaranteed Fund	2,429,851	2,002,782
	<u>8,364,054</u>	<u>10,847,795</u>

Cash and cash equivalents includes all cash on hand and deposits receipted 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 (b).

16. TRADE AND OTHER RECEIVABLES

Trade receivables		
- Amount owing from Brisbane City Council	2,686,063	46,394
- Contractual debtors	365,011	176,375
- Provision for bad debts	-	(12,810)
Total trade receivables	<u>3,051,074</u>	<u>209,959</u>
Accrued income	128,054	8,865
GST receivable	308,647	-
Total trade and other receivables	<u>3,487,775</u>	<u>218,824</u>

Trade receivables include amounts owing from the Brisbane City Council for operational funding and other amounts due from third parties for services performed in the ordinary course of business. Trade and other receivables are recognised at the original invoice value. Settlement terms are within 30 days from invoice date.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

The Company writes off a trade receivable when there is information indicating the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 2 years past due, whichever occurs first. A provision for expected credit losses was recorded for trade and receivables at the end of the year of \$0 (2022: \$12,810). Refer to Note 30(b) for the ageing analysis of trade receivables.

CITY PARKLANDS SERVICES PTY LTD

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
17. PROPERTY, PLANT AND EQUIPMENT		Restated
(a) Property, Plant and Equipment		
Plant and equipment		
At cost	1,437,069	1,565,366
Accumulated depreciation	<u>(1,080,797)</u>	<u>(1,101,287)</u>
	<u>356,272</u>	<u>464,079</u>
Computer equipment		
At cost	1,093,167	1,093,167
Accumulated depreciation	<u>(1,093,167)</u>	<u>(1,093,167)</u>
	<u>-</u>	<u>-</u>
Leasehold improvements		
At cost	437,417	437,417
Accumulated depreciation	<u>(397,637)</u>	<u>(355,520)</u>
	<u>39,780</u>	<u>81,897</u>
Total Property, plant and equipment	<u><u>396,052</u></u>	<u><u>545,976</u></u>

(b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment, are initially recorded at the historical cost of acquisition. Cost is determined as the fair value of the assets, including cost of consideration, plus costs directly attributable to bringing the asset to be capable of being used by the Company.

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****17. PROPERTY, PLANT AND EQUIPMENT (continued)****(c) Net movements in carrying amounts of property, plant and equipment**

	Plant & Equipment \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
Balance as at 1 July 2022 (Restated)	464,079	-	81,897	545,976
Disposals / write-offs at cost	(128,297)	-	-	(128,297)
Disposals depreciation write back	113,586	-	-	113,586
Depreciation expense - Note 13	(93,095)	-	(42,117)	(135,212)
Total as at 30 June 2023	356,273	-	39,780	396,053
Balance as at 1 July 2021 (Restated)	511,583	39,475	124,014	675,072
Additions	59,726	-	-	59,726
Depreciation expense - Note 13	(107,230)	(39,475)	(42,117)	(188,822)
Total as at 30 June 2022	464,079	-	81,897	545,976

The Company identified fixed assets that had been incorrectly classified as Property, plant and equipment in previous years that should not have been capitalised (Note 32).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
18. RIGHT-OF-USE ASSETS		
Gross book value	279,295	2,356,937
Accumulated depreciation	(155,262)	(1,643,465)
Carrying amount of right of use asset	124,033	713,472

(a) Movement analysis of right of use asset

	Buildings	Vehicles	Plant and equipment	Total
	\$	\$	\$	\$
Balance as at 1 July 2022	477,544	7,519	228,409	713,472
Adjustments and modifications	12,127	-	-	12,127
Depreciation charge (Note 13)	(489,671)	(7,519)	(104,376)	(601,566)
Balance as at 30 June 2023	-	-	124,033	124,033
Balance as at 1 July 2021	961,123	9,452	51,207	1,021,782
Adjustments and modifications	(20,311)	5,586	283,366	268,641
Depreciation charge (Note 13)	(463,268)	(7,519)	(106,164)	(576,951)
Balance as at 30 June 2022	477,544	7,519	228,409	713,472

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 assets and a lease liability (Note 22) are recognised at the lease inception date (i.e. the date the underlying asset is available for use).

The right-of-use assets are 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 leased commercial buildings from South Bank Corporation, which are used for offices, storage and are the location of Parkland operational facilities. The 10 year lease ceased on 30 June 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. The majority of equipment are considered low value and not subject to lease accounting. The more significant items, including Bobcats and Skid Steer Loaders have lease terms of 3 years and fixed payments for the term of the leases.

CITY PARKLANDS SERVICES PTY LTD

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$	2021 \$ Restated
19. INTANGIBLE ASSETS			
<i>Gross carrying amount</i>			
Gross carrying amount opening balance	-	-	27,855
Disposals / write-offs at cost	-	-	-
Closing balance	-	-	27,855
<i>Accumulated amortisation</i>			
Opening balance	-	-	(4,071)
Disposals / write-offs	-	-	(10,245)
Amortisation expense	-	-	(13,539)
Closing balance	-	-	(27,855)
Net book value at end of financial year	-	-	-

Intangible assets includes information technology and computer software and are initially recognised at cost. Intangible assets are amortised on a straight-line method for 3 years.

The Company identified intangible assets had been incorrectly classified in previous years, and these adjustments have been included in the restated balances (Note 32).

20. TRADE AND OTHER PAYABLES

Trade payables	1,345,641	630,601
Related party - Brisbane City Council	-	8,034
Other accrued expenses		
- Contractual accrued expenses	382,210	461,830
- Project funding savings	-	1,238,938
Total accrued expenses	382,210	1,700,768
Payroll tax payable	68,255	60,313
PAYG and superannuation payable	332,598	14,260
Other payables	10,407	29,908
Total trade and other payables	2,139,111	2,443,884

Trade and other payables are liabilities for goods and services provided to the Company prior to 30 June and the Company is obliged to make future payments for these purchases. These amounts are unsecured and non-interest bearing and are usually paid within 30 days.

Trade and other payables are classified as financial instruments and due to the short term nature of their payment, the carrying value reflects their fair value. Information about the nature and extent of credit and interest rate risks for trade and other payables is in Note 30 (b).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
21. EMPLOYEE BENEFITS		
Current		
Annual leave	1,129,918	857,679
Long service leave	1,080,860	919,874
	<u>2,210,778</u>	<u>1,777,553</u>
Non-Current		
Long service leave	<u>274,023</u>	299,329

Annual leave and long service leave entitlements expected to be settled 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 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 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.

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

Current vs Non-Current

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.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
22. LEASE LIABILITIES		
Current	93,572	624,149
Non-Current	28,537	122,313
	<u>122,109</u>	<u>746,462</u>

(a) Movement analysis of lease liabilities

	Present Value	Finance Charge	Total
Balance as at 30 June 2022	754,201	(7,739)	746,462
Adjustments of modification to lease payments	10,527	1,544	12,071
Lease payments	(642,619)	-	(642,619)
Lease interest expense (Note 12)	-	6,195	6,195
Balance as at 30 June 2023	<u>122,109</u>	<u>-</u>	<u>122,109</u>
Balance as at 1 July 2021	1,053,995	(13,876)	1,040,119
Adjustments of modification to lease payments	269,030	(3,588)	265,442
Lease payments	(568,824)	-	(568,824)
Lease interest expense (Note 12)	-	9,725	9,725
Balance as at 30 June 2022	<u>754,201</u>	<u>(7,739)</u>	<u>746,462</u>

(b) Maturity Analysis of lease liabilities

	2023	2022
	\$	\$
Not later than 1 year	93,572	624,149
Later than 1 year but not later than 5 years	28,537	122,313
	<u>122,109</u>	<u>746,462</u>

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

	2023	2022
Interest expense on lease liabilities	6,195	9,725
Depreciation expense of right-of-use assets	601,566	576,951
	<u>607,761</u>	<u>586,676</u>

(d) Accounting Policy for leases for right-of-use-assets (Note 18)

Lease liabilities are recognised at the present value of the remaining lease payments at the commencement of the lease. The lease payments are allocated between repayment of lease liability and interest expense over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification or a change in the conditions of the lease agreement.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
23. OTHER CURRENT LIABILITIES		
Deferred revenue	7,937,202	5,628,736
Other deposits	41,598	75,032
	<u>7,978,800</u>	<u>5,703,768</u>

Where revenue is received for a service in advance, it is included in Other current liabilities and is recognised as revenue in the financial year when the service is performed.

Included in deferred revenue is an amount of \$5,871,933 (2022: \$ 4,866,442) 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.

Included in deferred revenue is \$1,825,269 for insurance proceeds received, however this revenue does not meet recognition criteria.

24. CONTRIBUTED EQUITY

Ordinary shares	<u>2</u>	<u>2</u>
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Brisbane City Council is the sole shareholder.

	NOTE	2023	2022
		\$	\$
25. CASH FLOW INFORMATION			
Reconciliation of net profit to the net cash flows from operating activities			
Net Loss		(1,340,534)	(41,009)
Non-cash items			
Depreciation and amortisation	13	736,778	765,773
Gain on disposal of property, plant and equipment			(5,621)
Interest on lease expense	12	6,195	9,725
Changes in assets and liabilities:			
(Increase) / decrease in			
Trade and other receivables		(3,268,951)	2,532,275
Other current assets		(367,445)	(94,133)
Increase (decrease) in			
Trade and other payables		(304,773)	(838,328)
Other current liabilities		2,275,032	2,708,560
Provisions		407,919	147,617
Net cash flow used in operating activities		<u>(1,855,779)</u>	<u>5,184,859</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

26. 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
Narelle Ballini
Juliet Alabaster

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:

	2023	2022
	\$	\$
Short-term employee benefits	1,492,793	1,443,868
Post-employment benefits	221,209	233,645
Long-term benefits	67,900	46,180
Termination benefits	-	59,265
Total compensation paid	1,781,902	1,782,958

Remuneration expenditure for key management personnel comprises the following components:

Short-term employee benefits includes salaries, allowances, annual and sick leave entitlements earned and expensed for the entire year or part of the year during which the employee occupied the specified position.

Post-employment benefits include amounts expensed in respect of employer superannuation obligations and salary sacrifice superannuation that employees have contributed.

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 and eligible accrued leave entitlements. No termination benefits were paid in respect of KMP for the 2022-2023 financial year.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

26. RELATED PARTY TRANSACTIONS (continued)

c) Transactions with Brisbane City Council

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

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:

	2023	2022
	\$	\$
Fleet and equipment	180,772	-
Insurance premiums	206,946	201,899
Legal services	24,040	27,086
Other	3,834	5,271
Staff secondment	102,623	215,655
Waste	180,676	187,875
Workers compensation	109,752	65,153
	<u>808,643</u>	<u>702,939</u>

Workers compensation expenses for the current year has increased due to the higher-cost claims when compared to prior year. This is due to the varying return to work options and plans, and the nature of the claims processed.

While the Company was recruiting for a Chief Executive Officer (CEO), a senior manager was seconded from Brisbane City Council to be the acting CEO of the Company for a period of 6 weeks.

In addition, horticultural staff were seconded from Council to the Company when the Management agreement commenced for Victoria Park. This arrangement ceased in September 2023. The Company was also provided access to plant and equipment from the fleet

There was no dividend paid in 2023 to Council (2022: \$92,474).

d) Transactions with other related parties

Transactions with other related parties were on market terms, 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 16 and Note 20.

CITY PARKLANDS SERVICES PTY LTD

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

27. CONTINGENCIES

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

28. COMMITMENTS

Leases are recognised as right-of-use assets (Note 18) and lease liabilities (Note 22) in the Statement of Financial Position.

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

	2023	2022
	\$	\$
Within one year	2,254,375	6,978,875
One to five years	179,094	10,045,168
Later than five years	-	-
	2,433,469	17,024,043

29. ECONOMIC DEPENDENCY

The Company's activities are dependent upon management and operational funding from Brisbane City Council.

CITY PARKLANDS SERVICES PTY LTD

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	2023 \$	2022 \$
Financial assets			
Cash and cash equivalents	15	8,364,054	10,847,795
Trade receivables	16	3,051,074	209,959
Accrued income	16	128,054	8,865
Total financial assets		11,543,182	11,066,619
Financial liabilities			
Trade and other payables	20	2,139,111	2,443,884
Deferred revenue	23	7,937,202	5,628,736
Lease liabilities	22	122,109	746,462
Total financial liabilities		10,198,422	8,819,082

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, net of any allowances for losses represents the Company's maximum exposure to credit risk.

Credit risk associated with the Company's trade receivables is minimal, as the main debtor is 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 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

30. FINANCIAL INSTRUMENTS

b) Financial risk management objectives and policies (continued)

Credit Risk

The following table discloses the ageing of trade receivables (Note 16) that are past due but not impaired.

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired		
			30 days \$	60 days \$	90 days \$
30 June 2023					
Trade receivables	3,051,074	3,038,369	12,705	-	-
30 June 2022					
Trade receivables	209,959	189,558	-	19,100	1,301

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	
	2023 \$	2022 \$
Financial assets and other credit exposure		
Cash and cash equivalents (Note 15)	8,364,054	10,847,795
Trade and other receivables (Note 16)	3,487,775	218,824
	<u>11,851,829</u>	<u>11,066,619</u>

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. 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

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.

31. SUBSEQUENT EVENTS

The Parklands Management Agreement, lease agreement and other associated agreements between the Company, Brisbane City Council, South Bank Corporation and the Queensland Government expired on 30 June 2023. A short term extension was agreed between the parties to 31 July 2023. A new Parklands Services Agreement has been signed with South Bank Corporation, effective from 1 August 2023. The company will provide horticulture, water and general maintenance services for an initial term of 3 years. In addition there are short term agreements in relation to event management and transition services.

As part of the expiry of the previous agreements, South Bank Corporation was granted a call option by the company to purchase certain parkland assets for an agreed consideration. On 1 August 2023 the ownership of South Bank Parkland's assets transfers back to South Bank Corporation.

The Company is also negotiating a new maintenance agreement for Roma Street Parklands which will be directly between the Company and Department of Energy and Public Works. In the interim, Queensland Government have extended existing agreements for the required months, to ensure the Company has continued funding for the future.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

32. PRIOR PERIOD ERRORS AND ADJUSTMENTS

During preparation of the 2022-23 financial statements, the Company identified intangible assets and property, plant and equipment that had incorrectly been categorised as non-current assets in previous years, and has determined that these should never have been capitalised. These items should have been included in project expenses for the relevant years.

Comparative numbers reported in the 2021-22 *Statement of Financial Position* and at the beginning of the comparative year (1 July 2021) have been restated.

	2020-21			2021-2022		
	Published financial statements	Correction of error	Restated actuals	Published financial statements	Correction of error	Restated actuals
	\$	\$	\$	\$	\$	\$
<u>Statement of financial position</u>						
<i>Plant and equipment</i>						
At cost	6,114,515	(4,608,875)	1,505,640	6,116,884	(4,551,518)	1,565,366
Accumulated depreciation	(3,469,084)	2,475,027	(994,057)	(4,037,042)	2,935,755	(1,101,287)
	2,645,431	(2,133,848)	511,583	2,079,842	(1,615,763)	464,079
Computer Equipment						
At cost	2,420,029	(1,326,862)	1,093,167	2,361,848	(1,268,681)	1,093,167
Accumulated depreciation	(2,357,444)	1,303,752	(1,053,692)	(2,349,677)	1,256,510	(1,093,167)
	62,585	(23,110)	39,475	12,171	(12,171)	-

	2020-21			2021-2022		
	Published financial statements	Correction of error	Restated actuals	Published financial statements	Correction of error	Restated actuals
	\$	\$	\$	\$	\$	\$
Leasehold Improvements						
At cost	439,174	(1,757)	437,417	439,174	(1,757)	437,417
Accumulated depreciation	(314,644)	1,241	(313,403)	(356,937)	1,417	(355,520)
	124,530	(516)	124,014	82,237	(340)	81,897
Total Property, plant and equipment	2,832,545	(2,157,473)	675,072	2,174,250	(1,628,274)	545,976
<i>Intangibles</i>						
At cost	27,855	(27,855)	-	-	-	-
Accumulated amortisation	(17,610)	17,610	-	-	-	-
Total intangible assets	10,245	(10,245)	-	-	-	-
<i>Accumulated surplus</i>						
Accumulated surplus	(3,838,931)	2,167,721	(1,671,210)	(3,166,003)	1,628,276	(1,537,727)
Contributed equity	(2)		(2)	(2)	-	(2)
Total equity	(3,838,933)	2,167,721	(1,671,212)	(3,166,005)	1,628,276	(1,537,729)
<u>Statement of comprehensive income</u>						
(Gain)/Loss on disposal of assets	-	-	-	(4,308)	9,929	5,621
Depreciation and amortisation	-	-	-	1,295,289	(529,516)	765,773
Operating result for the year	(577,336)	-	(577,336)	(580,454)	539,445	(41,009)

CITY PARKLANDS SERVICES PTY LTD

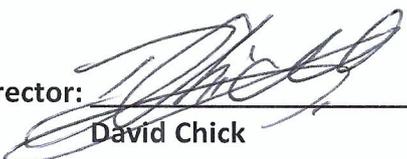
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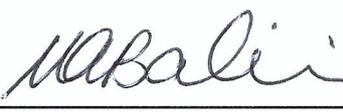
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes for the year ended 30 June 2023 for City Parklands Services Pty Ltd are in accordance with the *Corporations Act 2001*, and:
 - a) comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); 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: 28 September 2023

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.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

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

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 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). At the date of this auditor's report, the available other information in the City Parklands Services Pty Ltd's annual report for the year ended 30 June 2023 was the director's report.

Those charged with governance are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Responsibilities of the 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 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 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 material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the company.

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

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



Sri Narasimhan
as delegate of the Auditor-General

29 September 2023

Queensland Audit Office
Brisbane