

TRADECOAST LAND PTY LTD

TradeCoast Land Pty Ltd is an Australian company with its registered office located at Level 20, 266 George St, Brisbane, Queensland, Australia.

DIRECTORS' REPORT

The directors present their report together with the financial report of the company for the financial year ended 30 June 2023.

DIRECTORS

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

Scott Stewart; B of Engineering (First Class Honours)

Scott is the Divisional Manager, Brisbane Infrastructure and responsible for the delivery of Council's infrastructure portfolio of approximately \$1.5 billion per annum, including asset management, infrastructure planning, design, project management, construction services, maintenance, waste and resource recovery, and transport planning and operations. Scott has more than 30 years of infrastructure and executive leadership experience across local and international roles in the private and public sectors, including major road, rail and urban infrastructure projects in Hong Kong, the United Kingdom, Singapore and Australia.

Richard Butler; Bsc (Hons) Urban Estate Management, MRICS

Richard Butler is the Project Director Asset Optimisation at Brisbane City Council. The Asset Optimisation Project was established to identify and deliver short and long-term financial and other benefits for the organisation by enhancing the use of corporate assets, building on the recommendation of the AT Kearney review.

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was the pursuit of the Gateway Upgrade Project litigation (GUP). A parcel of land was resumed by the Department of Transport and Main Roads in 23 March 2005 for the Gateway Deviation Corridor. A joint claim by TradeCoast Land Pty Ltd and TradeCoast Central Pty Ltd has been brought against Department of Transport and Main Roads. The dispute is ongoing and until resolved the extent of any financial settlement cannot be reliably estimated.

OPERATING ACTIVITIES

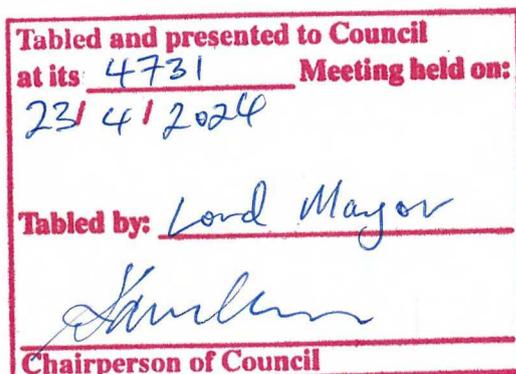
The result of the company for the financial year ended 30 June 2023 is a profit of \$206,359. (2022: profit of \$22,194,126).

DIVIDENDS

No dividend was declared and paid in the 2022/23 year (2022: \$25,000,000).

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

There have been no significant events arising since the end of the reporting period.



REVIEW OF OPERATIONS

The main source of revenue received by the company in 2022/23 was from interest on cash holdings. TradeCoast Land Pty Ltd terminated their joint venture relationship in 2021 and are no longer trading. The main business for TradeCoast Land Pty Ltd, is to pursue the Gateway Upgrade Compensation Claim to completion. It is not anticipated, at this time, that TradeCoast Land Pty Ltd will be involved in any further land development work.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

DIRECTORS' BENEFITS

During or since the financial year, no director of the company has received or become entitled to receive any benefits.

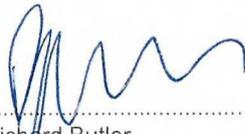
DIRECTORS' MEETINGS

During the year, five directors' meeting were held. These meetings were each attended by two directors.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307(c) of the *Corporations Act 2001* is attached.

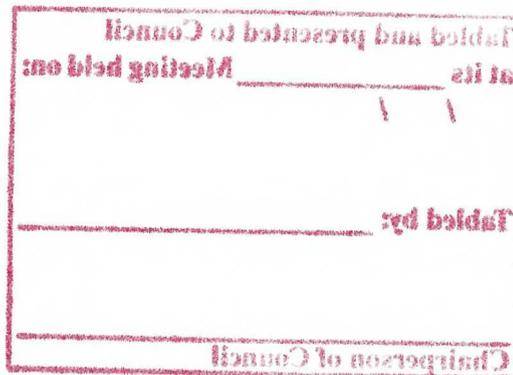
Signed in accordance with a resolution of the directors.



Richard Butler
Director
Brisbane, 1/02/2024



Scott Stewart
Director
Brisbane, 1/02/2024



AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of TradeCoast Land 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 TradeCoast Land 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.



William Cunningham
as delegate of the Auditor-General

1 February 2024

Queensland Audit Office
Brisbane

TRADECOAST LAND PTY LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	3	430,444	28,382,724
Expenses	4	<u>(224,085)</u>	<u>(6,188,598)</u>
Net profit/(loss) attributable to members of the company		206,359	22,194,126
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>206,359</u></u>	<u><u>22,194,126</u></u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

TRADECOAST LAND PTY LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5	11,317,315	11,173,796
Trade and Other Receivables	6	775,659	711,611
Total Assets		<u>12,092,974</u>	<u>11,885,407</u>
CURRENT LIABILITIES			
Trade and Other Payables	7	51,815	50,606
Total Liabilities		<u>51,815</u>	<u>50,606</u>
Net Assets		<u>12,041,159</u>	<u>11,834,801</u>
EQUITY			
Retained Earnings		11,834,801	11,834,799
Contributed Equity		206,359	2
Total Equity		<u>12,041,159</u>	<u>11,834,801</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

TRADECOAST LAND PTY LTD

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

	Total \$	Contributed Equity \$	Retained Earnings \$
2022/2023			
Balance at the beginning of the year	11,834,799	2	11,834,801
Net Profit / (Loss)	206,359	-	206,359
Balance at the end of the year	<u>12,041,157</u>	<u>2</u>	<u>12,041,159</u>

2021/2022

Balance at the beginning of the year	14,640,673	2	14,640,675
Net Profit / (Loss)	22,194,126	-	22,194,126
Dividend Paid	(25,000,000)	-	(25,000,000)
Balance at the end of the year	<u>11,834,799</u>	<u>2</u>	<u>11,834,801</u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

TRADECOAST LAND PTY LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operations		27,945	11,000,000
Cash payments for operations		(243,891)	(1,000,028)
GST received / (paid)		12,537	(844,519)
Interest received		346,926	95,084
		<u>143,518</u>	<u>9,250,539</u>
Net Cash Flows Provided by Operating Activities	8		
CASHFLOWS FROM FINANCING ACTIVITIES			
Payment of Dividend		-	(25,000,000)
		<u>-</u>	<u>(25,000,000)</u>
Net Cash Flows (Used in)/Provided by Financing Activities			
		143,518	(15,749,464)
Cash at the beginning of the year		<u>11,173,797</u>	<u>26,923,259</u>
CASH AT THE END OF THE YEAR		<u>11,317,315</u>	<u>11,173,797</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

TRADECOAST LAND PTY LTD

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

1. BASIS OF PREPARATION

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial statements.

TradeCoast Land Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. The address of the registered office and principal place of business is Lvl20, 266 George Street Brisbane Qld 4000. TradeCoast Land Pty Ltd is a wholly owned subsidiary of its parent entity: Brisbane City Council. TradeCoast Land Pty Ltd (the Company) is a for profit entity.

In September 2021 the company agreed to bring the land development agreement with TradeCoast Central Pty Ltd to an end. As such the Company is no longer considered to be trading. In preparing the financial statements on a cease trading basis, the Company has continued to apply the requirements of the Australian Accounting Standards, to the extent set out in Note 2, taking into account that the Company is not expected to continue as a going concern in the foreseeable future. The cessation of trading has had no impact on the recognition and measurement of the Company's assets and liabilities. The financial statements were authorised for issue by the Directors as at the date of declaration.

The financial statements have been prepared on an accrual basis. They are based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Historical Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated. All amounts are reported in Australian dollars.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

Local government subsidiaries are exempt from income tax, under section 24AT of the *Income Tax Assessment Act 1936*. Brisbane City Council as the parent entity has not nominated TradeCoast Land Pty Ltd to be part of the Tax Equivalence Regime under National Competition Policy.

(b) Revenue Recognition

Interest revenue is brought to account when earned. Recovery of Legal fees and Consultancy fees will occur when the Gateway Upgrade Project (GUP) Claim is decided as part of any settlement.

(c) Cash and Cash Equivalents

Cash and cash equivalents included cash on hand, deposits held on account with banks, other short term highly liquid investments with original maturities of three months or less.

(d) Trade and Other Receivables

Receivables are due for settlement in 30 days and are carried at amount due. The collectability is assessed at period end and an allowance is made for impairment.

TRADECOAST LAND PTY LTD

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Payables

Payables represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days.

(g) Goods and Services Tax

Revenue and expenses 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 Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense.

Receivables and Payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cashflows are included in the Statement of Cash Flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Contributed Equity

Ordinary Shares

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(i) Rounding and Comparatives

Amounts included in the statements have been rounded to the nearest \$1. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(j) Adoption of New Standards and Interpretations

There were no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period applicable to the company.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the company's activities, or have no material impact on the company.

TRADECOAST LAND PTY LTD

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

	2023	2022
	\$	\$
3. REVENUE		
	Notes	
Land Sales Revenue	-	17,047,638
Interest Received	370,441	102,453
Legal Fees Recoverable	48,554	13,053
Consultancy Fees Recovered	11,449	1,200
Deferred Land Price Income	-	11,218,379
	<u>430,444</u>	<u>28,382,724</u>

Under the terms of the Development Agreement TradeCoast Land Pty Ltd is entitled to a one third share of any Project Profits of Trade Coast Central Pty Ltd (TCC), adjusted for the Net Saleable Land Area Variation Amount, and the Infrastructure Charges Variation Amount. This is referred to as Deferred Land Price Income (DLP). The final payment of DLP was received in 2021/22 when the joint venture agreement was terminated.

4. EXPENSES		
Cost of Good Sold	-	5,471,412
Legal Fees	108,897	412,151
Consultancy Fees	22,898	89,864
Contractor's Fees	65,496	181,667
Audit Fees with the Queensland Audit Office	12,300	12,300
Other Expenses	14,494	21,204
	<u>224,085</u>	<u>6,188,598</u>

	2023	2022
5. CASH AND CASH EQUIVALENTS		
Balance at the beginning of the year	11,173,797	26,923,259
Cash Movement during the year	4 143,518	(15,749,464)
Cash Held at the End of the Year	<u>11,317,315</u>	<u>11,173,797</u>

6. TRADE AND OTHER RECEIVABLES		
Trade Debtors	28,593	30,483
GST Receivable	2,879	2,471
Recoverable GUP expenses	744,187	678,657
	<u>775,659</u>	<u>711,611</u>

Gateway Upgrade Project costs of \$1,489,302 to date have been incurred. A deed exists between TradeCoast Land Pty Ltd and TradeCoast Central Pty Ltd to govern the joint action taken to achieve compensation for land resumed by Department of Transport and Main Roads (refer note 9). Under item 2.7 of the terms of the Deed, TradeCoast Land Pty Ltd will pay all costs associated with this action. If any compensation paid by Department of Transport and Main Roads is insufficient to recover these costs, then TradeCoast Central Pty Ltd must pay half of any shortfall. Consequently, half of the GUP claim expenses to date are carried as a receivable on the statement of financial position.

TRADECOAST LAND PTY LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
7. TRADE AND OTHER PAYABLES		
Accrued Expenses	51,815	50,606
	<u>51,815</u>	<u>50,606</u>
8. STATEMENT OF CASH FLOWS		
Reconciliation of net profit/(loss) to the net cash flows from operating activities		
Net profit attributable to members of the company	206,359	22,194,126
	<u>206,359</u>	<u>22,194,126</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(64,048)	21,538
(Increase)/decrease in inventory	-	5,471,412
Increase/(decrease) in unearned revenue	-	(17,047,635)
Increase/(decrease) in trade and other payables	1,209	(1,388,902)
	<u>(62,839)</u>	<u>(12,943,587)</u>
Net cash flows from/(used in) operating activities	<u>143,520</u>	<u>9,250,539</u>

9. CONTINGENCIES AND COMMITMENTS

Contingent assets

(a) Legal Claims Made

Gateway Upgrade Project Land Resumption

A parcel of land was resumed by the Department of Transport and Main Roads in 23 March 2005 for the Gateway Deviation Corridor. A joint claim by TradeCoast Land Pty Ltd and TradeCoast Central Pty Ltd has been brought against Department of Transport and Main Roads. The dispute is ongoing and until resolved the extent of any financial settlement cannot be reliably estimated.

(b) Contingent liabilities

In the Directors' opinion, TCL does not have any contingent liabilities as at 30 June 2023.

TRADECOAST LAND PTY LTD

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

10. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Directors

Richard Butler (Commenced Dec 2016)

Scott Stewart (Commenced Dec 2021)

(b) Key Management Personnel Compensation

During or since the end of financial year, no key personnel of the company have received or become entitled to receive any benefits.

Key personnel of the company are paid officers of Brisbane City Council and compensation is provided to Brisbane City Council for their services. Of the contractor fees paid to Brisbane City Council disclosed below, \$38,511 (2022 \$112,070) relates directly to this entity's key management personnel.

(c) Transactions with Brisbane City Council, the ultimate and Australian controlling entity:

The Company has recognised in the financial statements the following amounts paid to Brisbane City Council;

Contractor's Fees \$65,496 (2022 \$181,667)

Legal Costs \$14,380 (2022 \$41,667)

Dividend \$0 (2022 \$25,000,000)

(d) Transactions with Trade Coast Central, the joint claimant in the GUP claim

There were no transactions with TradeCoast Central Pty Ltd.

TRADECOAST LAND PTY LTD

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

11. FINANCIAL INSTRUMENTS DISCLOSURE

(a) Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments as at 30 June 2023.

(b) Liquidity Risk

All financial liabilities are expected to be settled within 12 months and reflect their carrying values as disclosed at Note 7.

(c) Interest Rate Risk

Interest rate risk refers to possible fluctuations in the values of financial instruments as a result of changes in market rates. Exposure to interest rate risk arises predominantly from assets and liabilities bearing variable interest rates as the company intends to hold financial assets and liabilities to maturity.

(d) Credit Risk

The company manages credit risk by regularly reviewing the collectibility of receivables and providing for any amounts which management deem as uncollectible.

Ageing of Trade and other receivables

	2023	2022
	\$	\$
Not Due	31,472	32,954
Past due		
1 - 30 days		-
31 - 60 days		-
61 - 90 days		-
over 90 days	744,187	678,657
Total	<u>775,659</u>	<u>711,611</u>

No provision for impairment has been raised for the year ended 30 June 2023 (2022: Nil)

(e) Fair values

The fair value of trade and other receivables and payables is assumed to approximate their carrying amount.

12. SUBSEQUENT EVENTS

No events of a material nature have occurred subsequent to balance date.

TRADECOAST LAND PTY LTD

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 14:
 - (a) comply with Australian Accounting Standards and the *Corporations Act 2001*; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date
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.

On behalf of the Board



Richard Butler
Director

Brisbane, 1 February 2024



Scott Stewart
Director

Brisbane, 1 February 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of TradeCoast Land Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of TradeCoast Land 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 2023, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

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

Emphasis of matter – basis of preparation of the financial report

I draw attention to Note 1 of the financial report which indicates that the financial report for the year ended 30 June 2023 has been prepared on a cease trading basis and that TradeCoast Land Pty Ltd is not expected to continue as a going concern in the foreseeable future. The basis on which the financial statements are prepared does not change the measurement basis of the assets and liabilities of the company. My opinion is not modified in respect of this matter.

Other information

Other information comprises financial and non-financial information (other than the audited financial report). At the date of this auditor's report, the available other information in TradeCoast Land's annual report for the year ended 30 June 2023 was the directors' report.

Those charged with governance are responsible for the other information.

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

In connection with my audit of the financial report, my responsibility is to read the other information 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.
- 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- 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.



William Cunningham
as delegate of the Auditor-General

7 February 2024

Queensland Audit Office
Brisbane