

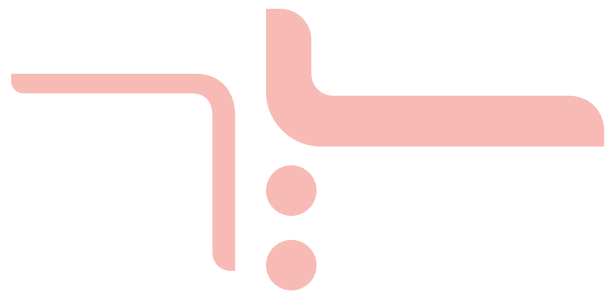


invest**Logan**



Annual Report  
2022-2023

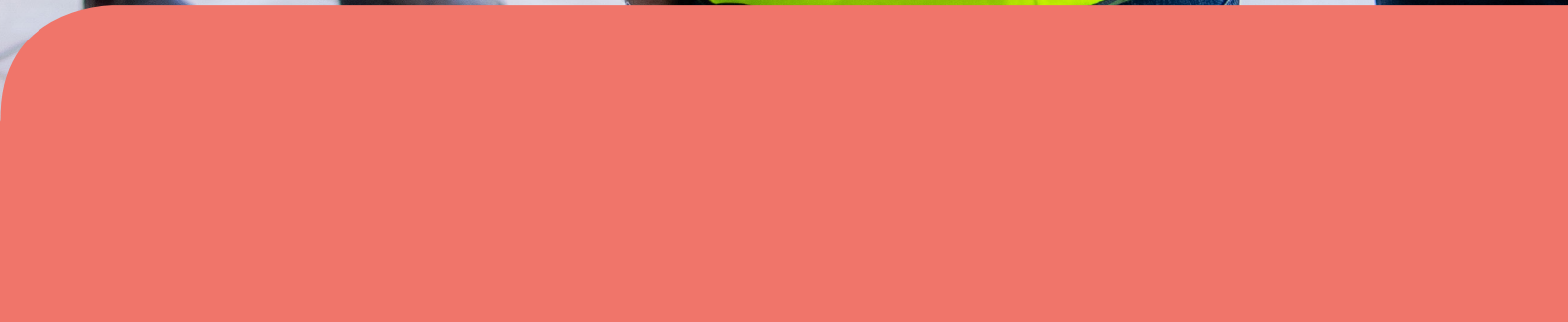
**investLogan** respectfully acknowledges the Traditional Custodians of the lands, and extends respect to the Elders, past, present and emerging for they hold the memories, the traditions, the cultures and hopes of Australia's First Peoples.



# Contents

Our Vision and Values .....	1
Chair's Foreword .....	2
CEO's Foreword .....	3
Our Independent Board and Executive .....	4
Our Team .....	5
Strategy .....	7
History .....	8
2022-23 Key Achievements .....	11
2022-23 Development Activities .....	13
Wind Down Strategy .....	18
Governance .....	19
Appendix 1 – Annual Financial Statements .....	21

CONSTRUCTIONS  
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# Our Vision and Values

A leading and innovative entity returning benefits to Logan City through property development and sustainable investments that stimulate and enable the City's economic and social prosperity and wellbeing.



## Community Minded

- We are a united team who support each other and the wider community.
- We are a catalyst for the community of Logan to grow and prosper.



## Thinking Big

- We aren't afraid to challenge the status quo.
- We look for new and innovative ways to deliver our solutions.



## Celebrate Difference

- We are authentic in our interactions.
- We celebrate the diversity of our team and everyone we interact with.

# Chair's Foreword

We reflect on our accomplishments with pride and gratitude including the support we have received from the community, industry and our team. We thank the Shareholder for its consideration over what has been a challenging year.

On behalf of the investLogan Board, I am pleased, but equally heavy-hearted, to present our Annual Report for the 2022-23 financial year and our final report for investLogan. The report summarises the strategic direction, outcomes, and values that investLogan has committed to over this financial year and its more than six years of operations. The report represents the work of a strong and committed team of individuals, working together for the betterment of the Logan community – socially and economically.

Council's Chief Executive advised on Tuesday 14th March, 2023 of Council's Committee decision to discontinue investLogan as a Beneficial Enterprise, as Council looked to refocus its strategic development vision.

Over the years, we have worked with dedication to promote investment and development in the Logan community. We have delivered many successes and have made a positive impact on Logan. However, it is now time for us to close this chapter of our journey. The Board and staff of investLogan are immensely proud of our achievements, particularly the benefits that we have delivered to Council, ultimately for the greater good of the City.

In this final Annual Report, you will find an outline of our actions and achievements over the past years. We hope that it will serve as a testament to the hard work and dedication of our team and as a reminder of the positive impact we have had on this City.

As we prepare to wind down our operations, we want to assure you that we will do so in a responsible and transparent manner. We are committed to ensuring

a smooth transition and are working closely with Council through a comprehensive, staged approach that will see the wind down of our operations and projects in a way that is of benefit to the community, and consistent with the values of investLogan.

It has been a privilege to work alongside our Shareholder, the Logan City Council, towards delivering development opportunities and outcomes for the City. On behalf of the Board, we wish you success as you refocus your strategic property developments in the future.

I extend the thanks of investLogan to outgoing Chair, Steve Greenwood, for his leadership and support and outgoing Director, Annabelle Pegrum for her outstanding service, over the past six years.

I am proud to bring you this year's Annual Report, and a reflection of the history of investLogan – the achievements, the challenges and the wonderful team behind it all.



A blue ink handwritten signature, appearing to be 'C Newnham', written in a cursive style.

**Craig Newnham**  
Chair

# CEO's Foreword

investLogan has continued to deliver on its guiding priorities of bringing economic and social benefit to the Logan community, and to our Shareholder, and we celebrate the outcomes that have been delivered throughout a challenging six year period.

On behalf of investLogan, I am pleased to present the final annual report of our company. As you will be aware, investLogan is winding down operations in the coming financial year, so I take the opportunity, on behalf of the entire investLogan team, to thank our community for your support over the years. It has been an honor to serve you, and we will always be proud of the contribution we have had the pleasure of making to the city and community.

Our recent achievements include The York, a mixed-use development in Beenleigh, which sold for \$33.52m in 2022 after leasing it to Logan Water. We also built residential accommodation for people with disabilities in Marsden, that recently sold for a residential record for the suburb. Our mixed-business and industry project in Berrinba has been an inspiring catalyst for start-up and growth enterprises.

Further to these recent achievements, we are working on a quality urban renewal project for low density residential housing at Rochedale South, which has reached sell out well ahead of completion. We have been exploring exciting opportunities on new sites that have the potential to drive positive value for the Logan economy and community. This includes a prime hotel and lifestyle precinct in the heart of Springwood, which would capitalise on the current short fall of short-term accommodation in Logan and the tourism influx anticipated in the lead up and as the result of the 2032 Olympics.

Our accomplishments have been realised despite challenges thrown our way and often beyond our control.

I'd like to take this opportunity to give a special thank you to the entire investLogan team, past and present. Without them, none of this would have been possible. I'd also like to pass on my deep gratitude to the investLogan Chair and Board for your continuous and unwavering support and resolve to see the best possible outcome delivered to the Logan community. I extend my personal thanks to outgoing Directors Steve Greenwood (Chair) and Annabelle Pegrum for their leadership and support over the past six years.

Finally, thank you to our Shareholder, Logan City Council. I wish you well in your future property development endeavors.

I am pleased to share with you the final investLogan Annual Report 2022-23.



A handwritten signature in black ink, appearing to read 'Medy Hassan'.

**Medy Hassan OAM**  
Chief Executive Officer

# Our Independent Board and Executive

The Board is responsible for the overall governance, management and strategic direction of investLogan and for delivering accountable corporate performance in accordance with the objects of the Constitution.

All Board members are ratified by the Shareholder and are limited to a maximum term of six years to ensure renewal, refreshment and revitalisation of the Board and investLogan's direction.



**Steve Greenwood**  
Chair

A passionate leader and advocate for a better Queensland, Steve has extensive leadership experience across a multitude of industries, including advising and managing city councils and leading complex public policy reforms.



**Annabelle Pegrum AM**  
Director

Annabelle is a Canberra Architect, a Life Fellow of the Australian Institute of Architects and an Adjunct Professor in architecture at the University of Canberra. Annabelle is recognised as a leader and advocate for good design and excellence in city-making.



**Craig Newnham**  
Director

Craig is a property specialist with experience across a multitude of real estate sectors and disciplines. Over the course of his career Craig has been instrumental in developing, managing and transacting a variety of properties.



**Brendan O'Farrell**  
Director

Brendan is an experienced board, investment, remuneration and commercial committee member. Strong governance and strategy and an innovative leadership style has seen Brendan successfully grow organisations he has led.



**Medy Hassan OAM**  
CEO

Medy is an expert in the private equity, property and construction industries, whose passion is collaborating to drive innovation, global excellence and sustainable, environmentally beneficial outcomes. Medy was awarded an OAM for distinguished and meritorious service to the construction industry.



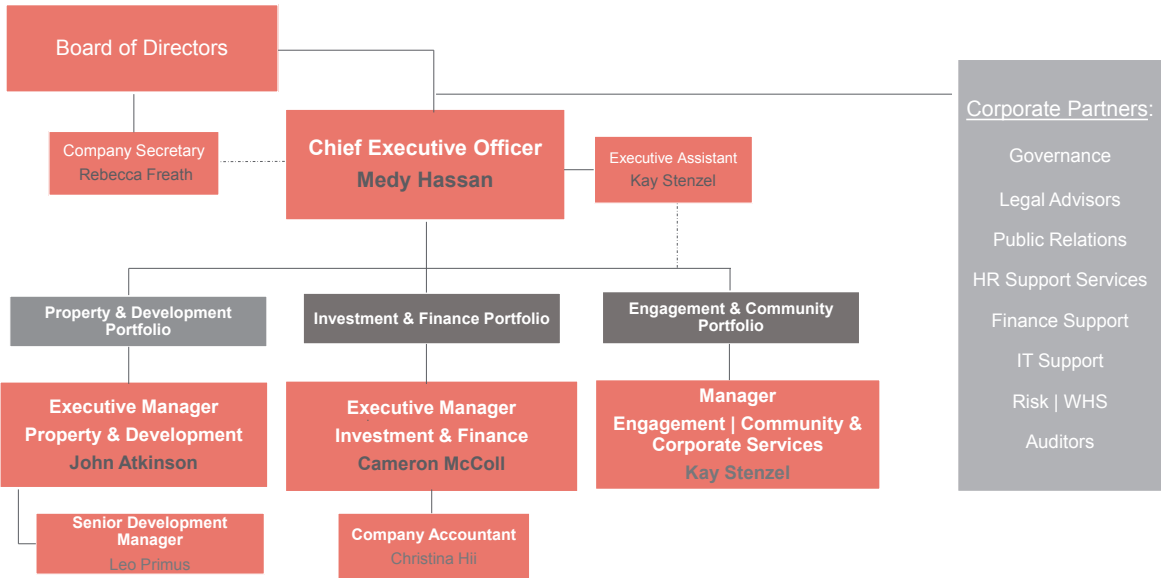
**Rebecca Freath**  
Company Secretary

Rebecca is a commercial Lawyer and governance advisor with more than 15 years of Company Secretary experience. Rebecca's career has spanned across sectors including, commercial, not for profit, community-based organisations in aged care, disability services and public health.





# Our Team

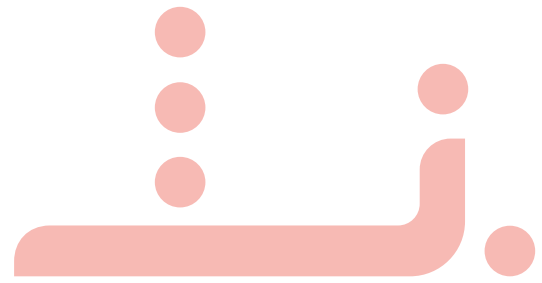


The Board is supported by its dedicated and professional executive team, strong corporate structure and positive culture.



96 YORK STREET

# Strategy



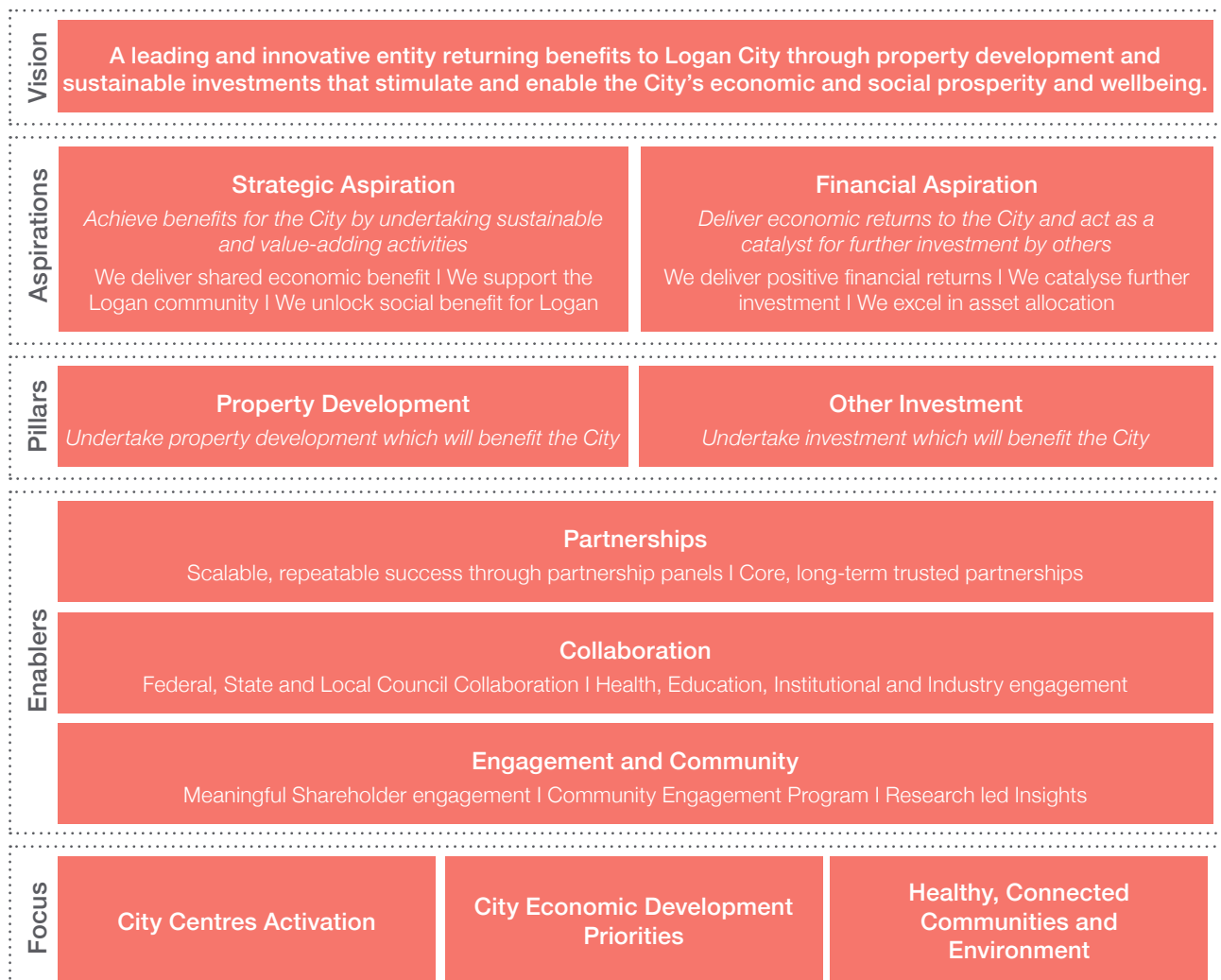
The investLogan strategic framework establishes the aspirations, pillars, enablers and focus areas that sets the strategic direction and guides operational activities of investLogan.

The aspirations confirm what investLogan sets out to achieve strategically and financially over the long term. These aspirations are delivered through two core strategic pillars:

- Property development.
- Other investment activities.

Both pillars are designed to ensure that associated activities will benefit the City.

investLogan seeks to build strong relationships through its partnerships, collaboration and engagement, and community, reflecting a strong alignment to the Objects of the investLogan Constitution.



# History

**August 2016**  
investLogan is established as an independent investment company owned by the Logan City Council, with a mission to drive economic growth and development in the Logan region.



**November 2017**  
The Board appointed Todd Rohl as CEO of investLogan, who would go on to lead the organisation for more than two years.



**May 2019**  
investLogan developed a Community Benefit Assessment Framework, alongside Urbis, which would go on to assess community impact and quantify benefits of its developments.



**July 2019**  
investLogan released its Suburbs of Opportunity research, highlighting the huge opportunity and investment growth in Logan.

**March 2019**  
Facing one of the biggest hurdles of its history, investLogan was forced to cease delivery of its Loganholme Tourism Precinct project. This was due to the Queensland Government resuming land for the future delivery of the Coomera Connector, a challenge not recognised by the Shareholder when the project was established as key to the establishment of investLogan.



**March 2019**  
State Government approval was sought for The York, in a joint venture partnership with Alder Developments, which would become investLogan's flagship project and a catalyst for the revitalisation of Beenleigh.

**March 2019**  
investLogan pivots its strategy to focus on redeveloping underutilised surplus Council land for community and economic benefit to the City of Logan.

**June 2019**  
investLogan established a relationship with Compass Housing, to kick off its first project – the Marsden Community Housing Project, designed for NDIS housing.



**April 2020**

Construction commences on The York by Alder Constructions, which would bring 100 new construction jobs to the area, and see \$4.1m of direct benefits and \$10.6m of indirect benefits generated during construction.



**September 2021**

Construction on The York is completed, and the development is unveiled by investLogan, Alder Developments, Logan City Council Mayor Darren Power and Beenleigh Councillor Karen Murphy.

**October 2021**  
investLogan, in partnership with Alder Developments, announce the sale of The York to Australian Unity Investment Real Estate Limited (Australian Unity) for a suburb record of \$33.52 million.



**May 2020**

Construction commences on the Marsden Community Housing Project, delivering purpose built homes for community members who require high physical support care.

**June 2021**  
Following a Shareholder request for investLogan to consider the potential of short-term accommodation in Logan, the Board resolved to undertake market testing and then to progress an approach to secure a suitable site within Logan, and commence an EOI campaign for potential hotel operators.



**August 2020**

investLogan proposes the development of mixed business and industry units at Wayne Goss Drive, Berrinba, under appointed construction contractor, Lory Constructions.



**February 2021**

Medy Hassan is appointed CEO of investLogan following his role as Board Director. He takes the reins from acting CEO Anthony Jones.



**May 2021:** Construction completion of the mixed business units in Berrinba with all units sold several months in advance to local, growing businesses via Corwells Commercial Property as the marketing agent.



**November 2021**  
Construction on the NDIS Community Housing development in Marsden is completed, and community members requiring specialised support begin settling into their new home.



**November 2021**  
The York is acknowledged at the 2021 UDIA Queensland Awards for Excellence for its high standard of internal and external construction, innovation, project delivery and sustainability.



**June 2023**  
investLogan sells all of its six sites at the Rochedale South site, due for subdivision completion and settlement in mid-2023.

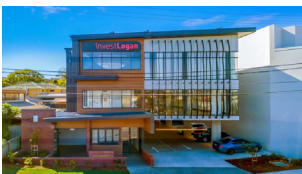
**February 2022**  
investLogan agrees terms for the sale of the York to Australian Unity and settlement occurs.



**December 2022**  
investLogan launches an expressions of interest campaign to collaborate with a distinguished hotel operator for a 112-room high-end resort style hotel precinct in Springwood, which would go on to attract six submissions from internationally renowned hotel operators.



**March 2023**  
investLogan Board and staff members reflect on a challenging but successful six years following the announcement by shareholder Logan City Council that the entity is to be wound down.



**August 2022**  
investLogan settles the acquisition of its headquarters at 8 Cinderella Drive Springwood. The purchase is part of the company's long-term investment strategy and demonstrates its confidence in Logan's commercial property market.

**November 2022**  
The strategic acquisition of a Rochedale South site is announced, intended for a new low density residential development to support population growth and increase housing choice within the City.

**December 2022**  
Logan is set to welcome its first new hotel in more than 15 years as the city gears up towards the 2032 Olympics, Logan's population surges and visitation figures outstrip current accommodation availability, as investLogan announce the acquisition of a prime site.

# 2022-23 Key Achievements



## Property Development

- investLogan undertakes a detailed planning and expressions of interest campaign for the first new hotel in Logan in 15 years, in a bid to accommodate a tourism influx in the lead up to the 2032 Olympics.
- A site is secured in Rochedale South for premium new homes, which have sold out and will reach settlement in mid-2023.



## Economic Development

- The NDIS community housing development in Marsden achieved a sale price at auction of \$2.351.
- investLogan continues to support the Logan Business Awards program through sponsorship.
- InvestLogan settled on the acquisition of its headquarters at Springwood, in a long term investment strategy that demonstrates its confidence in Logan's commercial property market.



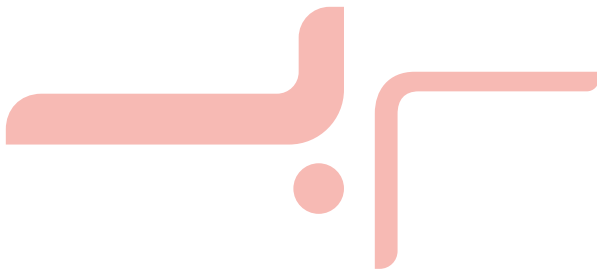
## Strategic Moves

- 2 Main Street, Beenleigh is identified for resumption by State Government.
- Acquisition of a disused childcare facility in Rochdale South as a free-hold land sub-division project to facilitate in-fill housing demand and increase housing choice within the City.
- Acquisition of 3 adjoining sites in Springwood for the development of future social infrastructure such as Mixed-use affordable housing or Short-Term Accommodation.
- Divestment of a NDIS community housing in Marsden setting a record price for the area.



## Community Benefit and Social Dividend

- investLogan engages with Community Housing Providers with a view to provide social and affordable housing within mixed use and medium to high density developments in an attempt to meet the social needs of Logan as well as making medium and high-density developments commercially viable.



### Financial Sustainability

- Diversifying our pipeline projects typology as a key move towards lowering risk and increasing financial sustainability.
- Successful sale of The York commercial office and industrial units in Berrinba.
- Innovative partnerships with Community and Social Housing providers for developing select pipeline projects into affordable housing typologies.



### Research and Development

- investLogan has continuing strategic partnerships with Griffith University, Queensland TAFE, local and national commercial businesses.



### Leading Practice Corporate Governance

- Our leading practice corporate governance framework was utilised to assist in the creation of the Queensland Treasury Corporation 'Corporate Governance Principles for Council Owned Entities'.



### Advocacy

- An active member of the Logan Chamber of Commerce, Property Council of Australia, Australian Investment Council and other industry institutions.
- Representing the City of Logan through key investment and development industry forums.



# 2022-23 Development Activities

investLogan development activities have continued over the financial year. Some development activity has pivoted to align with the Wind Down Strategy as detailed.

## NDIS Housing Development Brandon Street, Marsden

### Overview

investLogan developed the NDIS housing property, which was delivered in late 2021, providing much-needed housing facilities to local community members requiring specialised support.

The Community Housing Project in Marsden delivers two, three-bedroom dwellings that can be used as National Disability Insurance Scheme (NDIS) housing and also provide facilities for a Supported Independent Living Provider to be present on site. The dwellings have been designed and constructed to the High Physical Support Specialty Disability Accommodation (SDA) Design Category.

The property has been operational under Home in Place for close to two years, and has a lease in place until 2027 with a further five-year option. The project was designed, constructed and certified by BlueCHP.

### Current Status

A national sales and marketing campaign was undertaken by CBRE and resulted in the successful sale of this property in June 2023 via auction, with settlement occurring in late August 2023.

An interstate investor purchased the property for \$2.351 million in an impressive outcome for investLogan as vendor, whilst providing an outstanding ongoing investment for the purchaser.

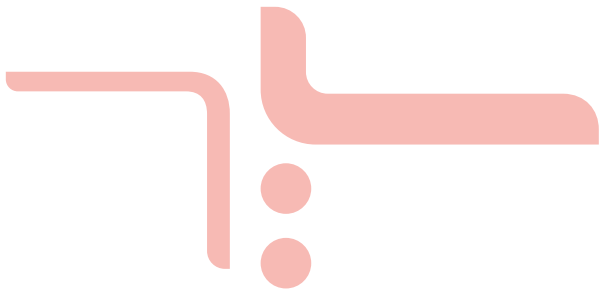
### Social and Economic Benefit

This sale represents the potential that the region has for private investors, and the economic opportunity that is driving value for investors and residents. It marks the highest residential sale for the suburb of Marsden on record. This is reflective of the quality of the project delivered, in what was previously an underutilised Council asset.

The Community Housing Project will continue to provide a permanent, purpose-built home for six Logan community members and is an excellent example of investLogan actively responding to a community need.



Community Housing Project in Marsden



## 'Vanessa Lane' Hotel & Lifestyle Precinct 15 Vanessa Boulevard, 1-3 Laurinda Crescent, Springwood

### Overview

In response to Logan City Council expressing its desire to establish a branded, 4-star, short-term accommodation, and mixed-use facility within the City as an economic development priority to support the growth of local businesses and the City-wide events strategy, investLogan commenced work on assessing the demand for the product. Based on the positive findings of a demand assessment and related commercial studies, undertaken by Urbis and Minnett Prime Square (MPS), investLogan undertook an exhaustive site identification program which culminated in the acquisition of the site at 15 Vanessa Boulevard & 1-3 Laurinda Crescent, Springwood.

### Current Status

investLogan settled the transaction of the site on 19 October 2022. Upon execution of a sales contract, investLogan commissioned Cavill Architects to prepare a development scheme for the short term accommodation project.

The development scheme prepared by Cavill was used as the basis for a two-round Expression

of Interest (EOI) campaign, inviting management proposals from hotel operators. investLogan has also commissioned Ernst & Young (EY) to act as commercial advisor in assessing the EOI submissions. The EOI campaign, launched in late 2022, resulted in the receipt of six submissions from well-credentialed hotel operators.

MPS and EY have undertaken an assessment and detailed financial modelling of the six submissions and have made recommendations to investLogan in relation to a targeted short list of three operators to progress negotiations.

On receipt of three second round EOI submissions, EY updated the feasibility modelling outcomes to include improvements in operator submissions. EY's updated modelling is currently being assessed by investLogan with a final recommendation to be presented as part of the de-registration process. From here, the continuation of this development will be at Council's discretion as investLogan moves through its staged wind down.



Artist impression: Hotel entrance



Artist impression: Hotel room



## Social and Economic Benefit Benefits

In the financial year before the pandemic, around 1.54 million domestic and international visitors relied on short-term accommodation in Logan. This figure is expected to grow as tourism and work-related travel increase following the reopening of international borders. Despite high occupancy rates, no new stock has been developed for over 15 years, providing an ideal investment opportunity and an exciting activation of a precinct that will enhance Logan's lifestyle proposition.

Logan currently has 318 accommodation rooms, mostly motel-style along arterial roads, but hotel accommodation capacity will increase by 35% with the proposed hotel development. Logan is well-positioned to accommodate the demand leading up

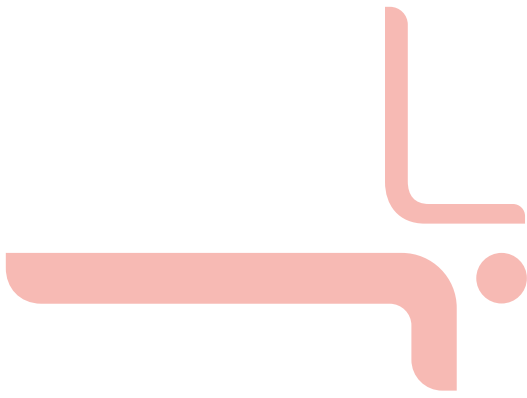
to Brisbane 2032, with public and private investment already increasing as Southeast Queensland prepares for the world stage.

Operators remain bullish on growth forecasts out to 2032, culminating in a potential Olympic venue in Logan, and as such, major international operators are eager to establish a brand presence in Logan in the short to medium term. This has flow on investment impact on the surrounding community and industries within Logan.

Ultimately, the development, if it proceeds, will deliver a highly anticipated mixed-use precinct, that blends accommodation, dining and entertainment to the local community.



Artist impression: Vanessa Lane



## Residential subdivision development 38-42 Sunningdale Avenue, Rochedale South

### Overview

The development is a quality urban renewal project that transforms a former vacant childcare centre and underutilised land into six freehold land lots for low density residential housing. The project demonstrates how a design-led solution to urban infill can lead to better housing choices for a wider demographic profile and positive suburban development.

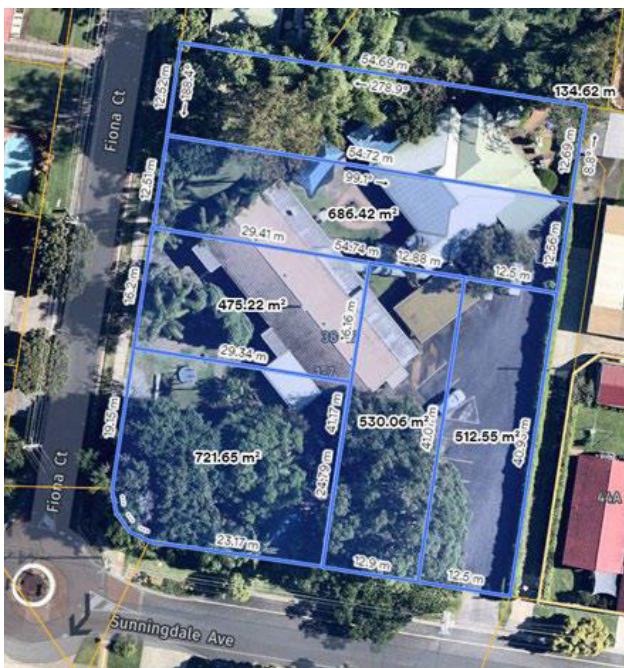
### Current Status

The project has achieved 100% presale with all lots being unconditional. investLogan purchased the site from Council in September 2022, secured development approval in November 2022 and began demolition and civil work in December 2022. The land subdivision will reach completion in mid-2023, with settlement occurring shortly thereafter. Purchasers are expected to commence construction on homes from late 2023.

### Social and Economic Benefit

This development creates a diversity of housing choice in Rochedale South, a desirable suburb in Logan City. The project supports the population growth of the city, which is expected to reach over 500,000 by 2036, and a redevelopment such as this plays a vital role in accommodating its surging growth.

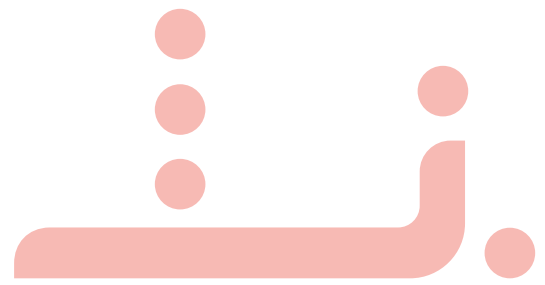
The project has generated jobs and revenue for the local economy and community as well as enhancing amenity and the streetscape. Sale of the subdivided land will also contribute to the social and economic needs of the region, facilitating the future construction of up to six new residential homes, which will all contribute to rates to Council.



38-42 Sunningdale Avenue, Rochedale South



Clearing of the site has been completed



## 12-14 Main Street & 10 Kent Street, Beenleigh

### Overview

InvestLogan has been exploring various options for the development of the site, including acquiring adjacent land holdings, building a commercial office/mixed use/specialist health hub, or developing a residential mixed-use project with social/affordable housing outcomes.

investLogan is currently reviewing a residential delivery outcome seeking to develop approximately 65 affordable apartments. A residential outcome may assist in alleviating affordable housing shortages and the rejuvenation of Main Street with proposed ground-floor retail and/or dining options..

### Current Status

investLogan has engaged Paxon Group to conduct commercial modelling and feasibility analysis for the different scenarios and has prepared preliminary

architectural layouts and indicative construction costs for each option.

investLogan is also undertaking essential safety and make good works on the existing buildings to ensure compliance and security.

investLogan expects to present a recommendation and a business case for the best option during the wind down de-registration process.

### Social and Economic Benefit Benefits

investLogan has pursued partnerships with Community Housing Providers to deliver social and affordable apartments within mixed-use high-density development. This partnership seeks to work with Council and government in meeting the social needs of Logan as well as making medium and high-density developments commercially viable.

## 66-72 Third Avenue, Marsden

### Overview

The site is viewed as having the opportunity to become a residential development in collaboration with a Community Housing Provider. investLogan and the Council have agreed to commission a joint valuation for the site and investLogan has appointed specialist consultants to investigate site constraints, identify solutions to support acquisition, and submit a Development Application for the site.

### Current Status

investLogan has been in discussions with Council regarding the availability and suitability of the site for development given certain flooding and access constraints (with advice from a specialist engineer). investLogan has conducted a pre-lodgement meeting with Council for a residential outcome.

### Social and Economic Benefit

investLogan's vision is to create a high-quality residential development that will provide affordable and social housing options for the Logan community. The development would provide:

- Modern and comfortable housing units that will cater to the needs and preferences of low-income and vulnerable groups, such as seniors, students, key workers and people with disabilities.
- A safe and supportive community that will promote social inclusion and wellbeing, as well as access to services and facilities.
- A positive contribution to the urban fabric and character of the area, as well as to the environmental sustainability and resilience of the site.

investLogan believes that the development would generate significant social and economic benefits for the Logan community.

# Wind Down Strategy

investLogan is working alongside Logan City Council in a staged process to wind down operations.

On 31 March 2023, investLogan was formally notified that the Logan City Council resolved to take the steps required for the orderly cessation of investLogan with a view to carrying out a voluntary deregistration of the Company under section 601AA of the Corporations Act 2001 (Cth) (Act).

investLogan is working alongside Logan City Council in a staged process to wind down operations. The company is currently undertaking a detailed due diligence review of its existing projects, assets and investments.

In addition to the above resolution by Council, investLogan has continued to deliver on its current works as programmed throughout FY23, and will endeavour to see out existing projects and initiatives to the best of its ability whilst being guided by the agreed wind down process.

The FY24 Budget was approved by the Board prior to the formal notification by Council to deregister investLogan. A copy of the FY24 Budget was provided to Council with the Minutes of the March 2023 Board Meeting.

investLogan's current portfolio of assets are well diversified and responsive to economic and market influences including cost escalation, vacancy risks, and supply and demand metrics. Accordingly, investLogan is now conducting investigations into appropriate strategies to maximise shareholder value of investLogan's portfolio of assets. These investigations shall identify 'highest and best use' outcomes and will be considered during the de-registration process.

# Governance



investLogan's role is defined by its Constitution

## Our Vision

investLogan is a leading and innovative entity returning benefits to Logan City through property development and sustainable investments that stimulate and enable the City's economic and social prosperity and wellbeing.

investLogan embraces good design across all aspects of enterprise to deliver better environments for the Logan community. We contribute to the City's economic growth and wealth and create social and community benefit, including through collaboration and partnerships.

## Our Approach

investLogan has put in place a leading practice Corporate Governance framework for transparency, accountability and efficiency and to maintain integrity in all the activities we undertake.

## Risk Management

investLogan is committed to managing risk and ensuring compliance with its governance, legal and ethical obligations in an integrated, coordinated, responsive, consistent and practical manner.

Our risk and compliance protocols are essential to achieving our strategic objectives, and to appropriately considering both threats and opportunities, making informed decisions, managing compliance and mitigating risk.

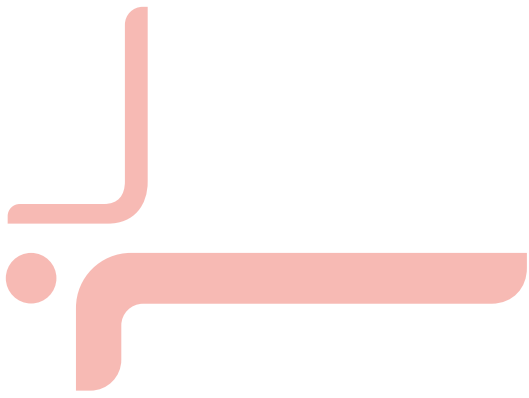
investLogan considers the following functions when examining project risks:

- Identification of potential risk exposures.
- Analysis of those risk exposures and examination of possible solutions/remedies.
- Evaluation of possible solutions/remedies and selection of the most appropriate solution/remedy.
- Implementation of the selected solution/remedy.
- Monitoring of the solution to ensure effectiveness.

## Our Role

The investLogan Constitution establishes the objectives which determine the work we do. The objectives include:

- Tendering, or otherwise approaching the market, negotiating with and appointing developers.
- To assist investLogan to undertake property development.
- Acquisition of and investment in property.
- Development for social or community benefit, or to achieve strategic development objectives for Logan City.
- Research and development.
- Entering into joint venture or other project delivery arrangements to deliver property development projects.
- Identifying and obtaining all necessary approvals required in relation to property development projects.
- Giving guarantees, mortgages or other security over the assets of investLogan, or any other form of security to help facilitate property development projects.
- Negotiating any commercial arrangements relevant to property development projects.
- Taking any other steps, which are consistent with the undertaking of property development.



## Governing Legislation

investLogan is established under, and is governed by the:

- Local Government Act 2009.
- Local Government Regulations 2012.
- Corporations Act 2001 (Cth).

As a beneficial enterprise of local government, investLogan is also classified as a public sector entity under the Auditor-General Act 2009 and is required to be audited annually by the Auditor-General of Queensland.

## Governance Framework

investLogan has a robust governance framework that reflects, as relevant Australian Standards, Legislation and other best practice processes and procedures and strives to achieve:

- Effective delivery and monitoring of strategic objectives.
- Clarity of objectives.
- Clarity in decision making.
- Productivity and operational efficiency.
- Accountability
- Transparency

The investLogan Corporate Governance framework has been the subject of positive independent legal review and audits.

## Quarterly Shareholder Activities Reports

investLogan produces Quarterly Reports for the Shareholder.

The Shareholder requires Quarterly Reports to facilitate constructive review of investLogan activities, in addition to that provided by the Corporate Representative at Board meetings and those required by the Corporations Act 2001 (Cth).

In 2022-2023, Logan City Council was provided with four Shareholder Activities Reports.

Each quarterly Shareholder Activities Report provides an outline of what has happened in the previous quarter and what the focus will be for the upcoming quarter.



# Annual Financial Statements

The Directors present their report together with the financial statements of Invest Logan Pty Ltd (the Company) for the financial year ended 30 June 2023.

investLogan

**ANNUAL  
FINANCIAL  
STATEMENTS  
2023**

# Contents

Directors' Report	1
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Directors' Declaration	29
Independent Auditor's Report	30

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2023

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The Directors present their report together with the financial statements of Invest Logan Pty Ltd (the Company), trading as investLogan, for the financial year ended 30 June 2023 and report in accordance with the *Corporations Act 2001* as follows:

### Directors

The names of the Directors of Invest Logan Pty Ltd during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated:

Mr Steven Greenwood (Chair)  
Mr Craig Newnham  
Mrs Annabelle Pegrum  
Mr Brendan O'Farrell

### Principal activities

The principal activities of the Company during the financial year included property investment and property development undertaken to benefit or be reasonably expected to benefit Logan City Council and the City of Logan. No significant change to the nature of these activities occurred during the year.

### Operating results

The result for the Company for the financial year ended 30 June 2023 was a net loss of \$3,983,383 (2022 profit: \$3,242,320).

The main sources of revenue were rent generated from investment properties and interest income.

### Review of operations

The following activities occurred during the year:

- The Company acquired the office building at 8 Cinderella Drive, Springwood for the dual purpose of investment and owner occupation;
- The Company acquired and commenced development of a 6 lot land subdivision at 38-42 Sunningdale Avenue, Rochedale South; and
- Acquired three contiguous lots for the purposes of developing a short term accommodation project.

There are no other projects in the pipeline.

COVID-19 had minimal adverse impact on the Company's operations in the year ended 30 June 2023. Construction activities, carried on at the Company's development sites under strict workplace health and safety and COVID-safe conditions. Projects were and continue to be reviewed for ongoing impacts, including supply chains, construction costs and availability of subcontractors.

### Significant change in state of affairs

The Company's sole shareholder, the City of Logan approved on 22 March 2023 the orderly cessation activities of Invest Logan with a view to carry out a voluntary deregistration process. In accordance with the approval, the financial statements have been prepared on a basis other than going concern.

The currently known impacts of the voluntary deregistration are:

- Directors are required to make decisions in the context of achieving deregistration as opposed to making decisions for the long-term benefit of the company, that may result in different investment decisions than would ordinarily occur;
- A review of currently owned properties is to be undertaken in the context of developing a divestment strategy that optimises the financial outcomes for the company within the confines of the deregistration process itself and the market's awareness of the process;
- Recognition of redundancy payments of \$130,121 relating to the deregistration;
- Cessation of the short-term accommodation project development activities; and
- Cessation of all acquisition activities.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2023

### Likely developments

Over the next 12 months, the Company expects to be deregistered, which will occur through:

- disposal of one or more properties; and/or
- transfer of one or more properties to the Shareholder; and
- transfer or extinguishment of existing borrowing.

The Company has not made determinations in respect of how individual assets will be realised.

### Subsequent events

Subsequent to the end of the reporting period, settlement of an investment property sale contracted during the year is scheduled to occur, as described in Note 14.

Other than the above, the Directors are not aware of any significant events since the end of the reporting period.

### Environmental regulation

The Company's operations have not been impacted by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Dividends

The Company is an Australian Proprietary Company that is limited by shares. No dividends were paid or declared by the Company during the reported period.

### Directors' meetings

The number of meetings of the Board of Directors held during the year ended 30 June 2023 and the number of meetings attended by each of the Directors are:

Names	A	B
Steve Greenwood (Chair)	3	3
Craig Newnham	3	3
Annabelle Pegrum	3	3
Brendan O'Farrell	3	2

A Number of meetings attended

B Number of meetings held during the time the Director held office

### Indemnification of officers and auditors

The insurance premium for a management liability insurance policy indemnifying Directors and Officers is paid by the Company.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

### Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### Auditor's Independence Declaration

The auditor's independence declaration is included on page 3.

This report is signed in accordance with a resolution of the Directors and made pursuant to s298(2) of the *Corporations Act 2001*.



Steven Greenwood  
Chairman

Dated: 14 September 2023

# AUDITOR'S INDEPENDENCE DECLARATION

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To the Directors of Invest Logan 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 Invest Logan 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.



13 September 2023

David Adams  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Development sales	2	-	1,560,000
Rental income	2	451,221	254,504
Interest income	2	75,787	8,523
Share of profit of equity-accounted joint venture	16	-	5,704,761
Other income		-	212,287
<b>Total income</b>		<b>527,008</b>	<b>7,740,075</b>
<b>Expenses</b>			
Fair value loss	14,17	965,884	236,891
Development cost of goods sold	4	-	1,255,878
Rental property costs	5	214,635	86,616
Operating expenses	6	943,713	919,720
Employee benefits and costs	7	1,733,090	1,496,633
Feasibility costs		136,337	86,279
Finance costs	8	360,374	48,320
Depreciation and amortisation	9	156,358	367,418
<b>Total expenses</b>		<b>4,510,391</b>	<b>4,497,755</b>
<b>(Loss)/profit for the year</b>		<b>(3,983,383)</b>	<b>3,242,320</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(3,983,383)</b>	<b>3,242,320</b>

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

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$ (Re-presented)
<b>Assets</b>			
Cash and cash equivalents	10	1,338,241	3,705,063
Trade and other receivables	11	42,364	255,935
Inventory	12	1,839,407	-
Prepayments		17,882	54,539
Assets held for sale	13	2,100,000	-
Investment property	14	8,189,259	4,650,000
Property, plant and equipment	17	1,864,475	360,576
<b>Total Assets</b>		<b>15,391,628</b>	<b>9,026,113</b>
<b>Liabilities</b>			
Trade and other payables	18	388,266	364,376
Employee benefits provisions	19	200,141	59,223
Lease liabilities	20	-	325,216
Loans and borrowings	21	15,561,861	5,052,555
<b>Total Liabilities</b>		<b>16,150,268</b>	<b>5,801,370</b>
<b>Net (Liabilities)/Assets</b>		<b>(758,640)</b>	<b>3,224,743</b>
<b>Equity</b>			
Share capital	22	8,166,206	8,166,206
Accumulated losses		(8,924,846)	(4,941,463)
<b>Total (Deficit)/Equity</b>		<b>(758,640)</b>	<b>3,224,743</b>

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



# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2023

	Share capital \$	Accumulated losses \$	Total \$
<b>Balance as at 1 July 2021</b>	<b>8,166,206</b>	<b>(8,183,783)</b>	<b>(17,577)</b>
Profit for the year	-	3,242,320	3,242,320
Other comprehensive income for the year	-	-	-
<b>Balance as at 30 June 2022</b>	<b>8,166,206</b>	<b>(4,941,463)</b>	<b>3,224,743</b>
<b>Balance as at 1 July 2022</b>	<b>8,166,206</b>	<b>(4,941,463)</b>	<b>3,224,743</b>
Loss for the year	-	(3,983,383)	(3,983,383)
Other comprehensive income for the year	-	-	-
<b>Balance as at 30 June 2023</b>	<b>8,166,206</b>	<b>(8,924,846)</b>	<b>(758,640)</b>

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

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
<b>Cash flows used in operating activities</b>		
Receipts from customers	494,117	2,098,411
Payments to suppliers and employees	(2,896,503)	(2,993,567)
Interest received	73,165	46,847
<b>Net cash used in operating activities</b>	<b>(2,329,221)</b>	<b>(848,309)</b>
<b>Cash flows (used in)/from investing activities</b>		
Payments for inventory	(1,793,680)	(17,545)
Payments for investment properties	(6,138,215)	(1,425,975)
Payment of deposit for property purchases	-	(226,000)
Receipts from joint venture	-	24,107,218
Payments to joint venture	-	(3,714,102)
Payments for property, plant and equipment	(2,138,325)	(4,311)
<b>Net cash (used in)/from investing activities</b>	<b>(10,070,220)</b>	<b>18,719,285</b>
<b>Cash flows from/(used in) financing activities</b>		
Interest paid on lease liabilities	(385)	(9,865)
Interest paid on loans and borrowings	(263,972)	(20,394)
Repayments of lease liabilities	(18,503)	(309,309)
Proceeds from loans and borrowings	10,315,479	6,469,866
Repayments of loans and borrowings	-	(26,523,943)
<b>Net cash from/(used in) financing activities</b>	<b>10,032,619</b>	<b>(20,393,645)</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(2,366,822)</b>	<b>(2,522,669)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,705,063</b>	<b>6,227,732</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,338,241</b>	<b>3,705,063</b>

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

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### 1. Statement of significant accounting policies

Invest Logan Pty Ltd (the Company) is a company limited by shares, incorporated and domiciled in Australia, trading as investLogan. The Company's parent entity is the Logan City Council. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The address of the Company's registered office and principal place of business is Level 2, 8 Cinderella Drive, Springwood Queensland 4127.

#### a. Basis of Preparation and Compliance

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*. They have been prepared in accordance with *Australian Accounting Standards – Simplified Disclosures* made by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

These financial statements are the general purpose financial statements prepared in accordance with *Australian Accounting Standards – Simplified Disclosures*. The Company does not have 'public accountability' as defined in *AASB 1053 Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The Company's sole shareholder, the City of Logan approved on 22 March 2023 the orderly cessation activities of Invest Logan with a view to carry out a voluntary deregistration process. In accordance with the approval, the financial statements have been prepared on a basis other than going concern.

In preparing the financial statements on an alternate basis, the Company has continued to apply the requirements of Australian Accounting Standards taking into account that the Company is not intended/expected to continue as a going concern in the foreseeable future.

This has resulted in consideration of the effects of applying AASB 5 *Non-current assets held for sale and discontinued operations* with regards to whether non-current assets/disposal groups should be reclassified and remeasured, AASB 101 *Presentation of Financial Statements* with regards to the presentation of assets and liabilities on a liquidity basis, AASB 7 *Financial instruments: Disclosures* with regards to liquidity risk disclosure, AASB 119 *Employees Benefits* with regards to termination benefits and AAS9 *Financial instruments* with regards to classification of financial assets and liabilities. No additional provisions have been recognised in relation to the costs expected to be incurred in deregistering the Company as at 30 June 2023.

The Company has changed the method of presentation in its statement of financial position from current/non-current assets/liabilities classification to order of liquidity as this is considered by management to provide information that is reliable and more relevant given the Company's sole shareholder has approved its deregistration. Accordingly, the comparatives in the statement of financial position have been re-presented to reflect the change in method presentation.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and is based on the historical cost basis, modified, where applicable, by the measurement at fair value. These financial statements are presented in Australian dollars, which is the Company's functional currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were approved by the Board of Directors on the date shown on the Directors' Declaration.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### 1. Statement of significant accounting policies (continued)

#### b. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to these judgements and estimates are recognised in the period in which the revisions are made. Judgements and estimates have been used in assessing employee benefit provisions; assets held for sale; useful lives of plant and equipment; fair value of investment properties and property, plant and equipment; impairment of non-financial assets, carrying value of inventory; provision of expected credit losses of trade receivables; and incremental borrowing rate in lease liabilities.

#### c. Changes in accounting policies and disclosures

##### *Revaluation of property, plant and equipment*

The Company re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment after initial recognition. The Company had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

On 1 July 2022, the Company elected to change the method of accounting for land & buildings classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the office properties' fair value. The Company applied the revaluation model prospectively.

An impairment loss from the revaluation of the building amounting to \$293,036 (\$320,840 less Accumulated Depreciation \$27,804) was recognised in profit or loss as a result of the aforementioned change in accounting policy.

After initial recognition, buildings are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For details refer to Note 17.

#### d. New and revised accounting standards

There are no new standards that are effective from 1 July 2022 which could have a material impact on the Company's financial statements.

#### e. Comparatives

Comparative information is generally restated for reclassifications, errors and changes in accounting policies, unless permitted otherwise by transition rules in a new Accounting Standard.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### f. Income tax

The Company is exempt from income tax under the provisions of the *Income Tax Assessment Act 1936 (ITAA 1936)* on the basis that it is a subsidiary of the Logan City Council and a State/Territory Body.

### g. Goods and services tax

Revenues, 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). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part 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.

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

## 2. Revenue

Development sales revenue is recognised when the transfer of control of ownership has been obtained by the customer. This typically occurs at the settlement date for each individual property.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Rental income not received by the end of the reporting period is included as a receivable in the statement of financial position and rental income received in advance is included as deferred unearned revenue.

Interest received from financial assets such as cash and cash equivalent balances is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest received is accrued on a time basis, by reference to the principal and the effective interest rate, which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 3. Gain/loss on sale of investment property

Gain/loss on sale is recognised when the transfer of control of ownership has been obtained by the customer. This typically occurs at the settlement date for each individual property. The gain or loss on disposal of investment property that is sold is measured as the difference between the net disposal proceeds and the carrying amount of the property, unless the transaction is a sale-and-leaseback.

No investment property assets have been disposed of during the current or comparative year, with one investment property contracted to sell and is scheduled to settle on 28 August 2023.

## 4. Development cost of goods sold

Development cost of goods sold is the cost of property inventory that has been sold during the financial year. It is recognised as an expense upon recognition of the sales revenue from the sale of the development property.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 5. Rental property costs

Rental property costs include rates, taxes and other property outgoings incurred in relation to the investment property. Expenditure incurred in the acquisition or construction of assets is treated as a capital expenditure and recognised as part of the cost of that asset.

### 6. Operating expenses

	Note	2023 \$	2022 \$
Board & governance costs		233,075	215,179
Insurance		27,544	25,690
IT & telecommunications		60,047	36,510
Marketing		37,177	64,855
Consultancy fees		146,734	280,529
Other administration		54,591	54,558
Legal fees		351,545	212,199
Audit fees	26	33,000	30,200
		<u>943,713</u>	<u>919,720</u>

### 7. Employee benefits and costs

	Note	2023 \$	2022 \$
Salaries and wages (including leave benefits)		1,391,908	1,247,242
Superannuation		117,692	104,346
Employee entitlements from deregistration	19	130,121	-
Payroll tax		84,731	77,747
Recruitment		4,350	62,643
Other employee related expenses		4,288	4,655
		<u>1,733,090</u>	<u>1,496,633</u>

### 8. Finance costs

	Note	2023 \$	2022 \$
Interest on lease liabilities	20	385	9,865
Interest on loans and borrowings		359,989	38,455
		<u>360,374</u>	<u>48,320</u>

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 9. Depreciation and amortisation

	Note	2023 \$	2022 \$
Plant and equipment		109,319	120,211
Computer related equipment		4,612	4,602
Buildings		27,804	-
Right-of-use asset		14,623	242,605
	17	156,358	367,418

### 10. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at bank.

	2023 \$	2022 \$
Cash at bank	1,338,241	3,651,761
Cash at bank secured to CBA	-	53,302
Cash and cash equivalents in the statement of financial position and in the statement of cash flows	1,338,241	3,705,063

The Company has \$Nil (2022: \$53,302) on deposit as security for a contingent liability facility established with CBA with the facility cancelled. There are no financial covenants or other undertakings attached to the facility. Bank guarantees had previously been raised against that facility and further details are in Note 24.

### 11. Trade and other receivables

Trade and other receivables are non-interest bearing and are expected to be collected within 12 months of the end of the reporting period. An assessment was made of the Company's trade and other receivables and it was determined that no losses are expected at 30 June 2023 (2022: Nil). Refer to Note 25 for further details regarding financial assets.

	2023 \$	2022 \$
Trade receivables	5,882	4,776
Interest receivable	5,350	2,728
Deposits paid on property purchases	-	226,000
Other receivables	31,132	22,431
	42,364	255,935

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### 12. Inventory

Inventory consists of properties being developed for future sale. They are measured at the lower of cost and net realisable value. The cost of inventory includes land, development costs and borrowing costs directly associated with the project.

Inventories are expected to be sold and recovered within 12 months of the end of the reporting period.

	<b>2023</b>	<b>2022</b>
	\$	\$
Opening balance	-	1,135,796
Additions at cost	1,839,407	17,545
Inventory sold	-	(1,153,341)
Closing balance	<u>1,839,407</u>	<u>-</u>

As at 30 June 2023, there is only one project under development which has already been presold unconditionally and expected to be settled second quarter of the next financial year.

### 13. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated, and any interest in associate is no longer equity accounted.

On 28 June 2023, the Company entered into a contract to sell Brandon Street Marsden NDIS (investment property) which was settled on 29 August 2023. Accordingly, this investment property is presented as an asset held for sale. Refer Note 14 for further details. At 30 June 2023, this investment property was stated at fair value.

### 14. Investment property

Investment property is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes). An investment property is measured initially at its cost including any costs of acquisition. After initial recognition, a company shall choose either the fair value model or the cost model for measuring investment properties.



# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 14. Investment property (continued)

The company has adopted the fair value model for measuring investment properties. Refer Note 15 for further information on fair value.

Investment properties under development are measured at cost until development or construction reaches a stage where it is determined that fair value can be measured reliably.

Gains or losses arising from changes in fair value of investment property are recognised in profit or loss in the period in which they arise. In the year ended 30 June 2023, the Company reported a loss in fair value of investment property of \$672,848 (2022: loss of \$236,891).

The Brandon Street Marsden NDIS investment property was marketed for sale and has resulted in a contract of sale being entered into. Settlement was effected on 29 August 2023 where net sale proceeds exceeded the current fair value and a profit on sale will be recognised. As at 30 June 2023, the asset has been reclassified to assets held for sale. Refer Note 13 for further details.

The value of investment property is detailed below.

	2023 \$	2022 \$
Opening balance	4,650,000	3,452,359
Additions at cost	6,312,107	1,434,532
Reclassification to assets held for sale	(2,100,000)	-
Net fair value loss	(672,848)	(236,891)
Closing balance	8,189,259	4,650,000

### 15. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The methods used to estimate fair values comprise:

- Level 1 – fair value is calculated using quoted prices in active markets for identical assets and liabilities;
- Level 2 – fair value is estimated using inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Non-financial assets measured at fair value include investment property. Financial assets and liabilities are addressed in Note 25.

The fair values on investment property were determined using level 2 valuation techniques. These valuation techniques use prices and other relevant information generated by market transactions involving identical or comparable assets. The valuations were performed by independent qualified valuers from CBRE Valuations Pty Ltd and Jones Lang LaSalle Advisory Services Pty Ltd.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### 16. Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

In February 2019, the Company entered into an agreement with York Street Pty Ltd (part of the Alder Group of Companies) to form an unincorporated joint venture, the 96-98 York Street Joint Venture, for the development of 96-98 York Street, Beenleigh. Under the joint venture agreement relating to the development, the Company and its joint venture partner each had obligations to contribute \$2.5 million. The Alder Group is recognised as being accomplished at property development and delivery and the Company's collaboration with it is strategic to the project outcome. Each joint venture partner represents 50% of the arrangement and the business of the joint venture is conducted out of each party's offices at 8 Cinderella Drive, Springwood and 116 Siganto Drive, Helensvale. Construction began on 4 May 2020 and the sale of the property was settled and proceeds were received on 25 February 2022.

The joint venture is incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is recognised initially in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profits or loss and other comprehensive income of the joint venture.

As at 30 June 2023 and 2022, the Company's interest in the joint venture is \$Nil. Remaining cash retained by the joint venture is expected to be utilised to settle the expected payments required under a rental guarantee provided in respect of the sale of the property and other project related liabilities. This rental guarantee relates to the 2 year period from February 2022 to February 2024.

### 17. Property, plant and equipment

Items of property, plant and equipment with a total value of less than \$1,000 are treated as an expense in the year of acquisition. All other items are capitalised and included in the relevant asset class. Property, plant and equipment is initially measured at historical cost less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequently, property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 17. Property, plant and equipment (continued)

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as "other income" in the statement of profit or loss and other comprehensive income.

Property, plant and equipment is depreciated on a straight-line basis over the asset's estimated useful life. Depreciation methods, useful lives and residual values are reviewed at each reporting date. The estimated useful lives used for each class of asset are as follows:

Classification of Asset	Useful Life
Plant and equipment	5 years
Buildings	40 years
Computer equipment	3 years
Right-of-use asset	5 years

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Right-of-use asset \$	Plant & equipment \$	Computer related equipment \$	Total \$
Cost:				
Balance at 1 July 2021	970,418	600,821	36,652	1,607,891
Additions at cost	-	-	4,311	4,311
Disposals	-	-	(12,665)	(12,665)
<b>Balance at 30 June 2022</b>	<b>970,418</b>	<b>600,821</b>	<b>28,298</b>	<b>1,599,537</b>
Accumulated depreciation:				
Balance at 1 July 2021	484,547	370,751	28,910	884,208
Depreciation during period	242,605	120,211	4,602	367,418
Disposals	-	-	(12,665)	(12,665)
<b>Balance at 30 June 2022</b>	<b>727,152</b>	<b>490,962</b>	<b>20,847</b>	<b>1,238,961</b>
<b>Carrying value at 30 June 2022</b>	<b>243,266</b>	<b>109,859</b>	<b>7,451</b>	<b>360,576</b>

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 17. Property, plant and equipment (continued)

	Right-of-use asset \$	Plant & equipment \$	Computer related equipment \$	Land & Buildings \$	Total \$
Cost:					
Balance at 1 July 2022	970,418	600,821	28,298	-	1,599,537
Additions at cost	-	2,760	7,065	2,173,126	2,182,951
Disposals	(970,418)	-	(1,955)	-	(972,373)
Revaluation	-	-	-	(320,840)	(320,840)
<b>Balance at 30 June 2023</b>	-	603,581	33,408	1,852,286	2,489,275
Accumulated depreciation:					
Balance at 1 July 2022	727,152	490,962	20,847	-	1,238,961
Depreciation during period	14,623	109,320	4,612	27,804	156,359
Revaluation	-	-	-	(27,804)	(27,804)
Disposals	(741,775)	-	(941)	-	(742,716)
<b>Balance at 30 June 2023</b>	-	600,282	24,518	-	624,800
<b>Carrying value at 30 June 2023</b>	-	3,299	8,890	1,852,286	1,864,475

In July 2022, the right-of-use asset has been derecognised when this property was acquired by the Company. Refer Note 23 for further details.

At 30 June 2023, the Company has revalued its land and building and accordingly a revaluation loss of \$293,036 (\$320,840 less Accumulated Depreciation \$27,804) is recognised in profit or loss.

### 18. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. Payables are expected to be paid within 12 months of the end of the reporting period.

	2023 \$	2022 \$
Accounts payable	133,171	137,975
Accrued expenditure	145,095	146,429
PAYG withholding	57,722	42,797
Superannuation liability	16,804	9,479
Unearned revenue	3,839	3,963
Security deposits	31,635	23,733
	<b>388,266</b>	<b>364,376</b>

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 19. Employee benefit provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Employee benefit provisions represent amounts accrued for annual leave and long service leave, as well as redundancy costs. As at 30 June 2023, no employees (2022: one employee) had a long service leave vested entitlement as under Queensland legislation, long service is not required to be paid in the case of redundancy where the employee's tenure is less than 7 years.

#### *Redundancy costs*

The Company has issued variation letters to employees as result of the voluntary deregistration process. This has resulted in the following additional employee benefits to employees.

#### Retention payments

The benefits relating to the variation letters that require a minimum stay period are reflected as part of short-term benefits on the basis they related to future services required to be provided by employees in a period less than 12 month. The amount related to service in the financial year-ended 30 June 2023 have been expensed during the period as short-term employee benefits. An amount of \$34,245 has been recognised during the year.

#### Termination benefits

The remaining benefits that require no future service to be provided are classified as termination benefits and expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. An amount of \$95,876 has been recognised during the year.

	2023 \$	2022 \$
Movement in provisions are as follows:		
<b>Annual leave</b>		
Opening balance	59,224	58,247
Amount provided for in the period	104,425	96,762
Amount paid in the period	(63,035)	(95,786)
<b>Closing balance</b>	<b>100,614</b>	<b>59,223</b>
<b>Long service leave</b>		
Opening balance	-	132
Amount provided for in the period	-	1,592
Amount paid in the period	-	(1,724)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 19. Employee benefit provisions (continued)

<b>Redundancy costs</b>	<b>Note</b>		
Opening balance		-	-
Amount provided for in the period	7	130,121	-
Amount paid in the period		(30,594)	-
<b>Closing balance</b>		99,527	-
This is represented in the statement of financial position as follows:			
Employee benefits		200,141	59,223

### 20. Lease liabilities

The Company entered into a non-cancellable lease with a 5-year term commencing on 9 July 2018 for its principal place of business. Rent was payable monthly in advance and increased each year in accordance with the provisions of the lease, at a minimum 3%. An option existed to renew the lease at the end of the 5-year term for an additional term of 5 years.

As at 30 June 2022, there was one year remaining of the initial lease term. The option to extend the lease has not been taken into account in determining the lease liability as the Company was not reasonably certain of exercising that option at the balance date.

In July 2022, the lease liability has been derecognised when this property was acquired by the Company. No other lease liability exists as at 30 June 2023.

<b>Maturity analysis – 30 June 2022</b>	<b>Lease payments</b> \$	<b>Finance charges</b> \$	<b>Net present value</b> \$
Within 1 year	328,750	3,534	325,216
Represented as:			\$
Lease liabilities			325,216

<b>Maturity analysis – 30 June 2023</b>	<b>Lease payments</b> \$	<b>Finance charges</b> \$	<b>Net present value</b> \$
Within 1 year	18,503	385	-
Represented as:			\$
Lease liabilities			-

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 21. Loans and borrowings

	2023 \$	2022 \$
Logan City Council	15,561,861	5,052,555
Total loans and borrowings	15,561,861	5,052,555

#### Logan City Council loan

In 2018, the Company entered into a \$25.5 million loan facility agreement with Logan City Council. \$3.0 million of the facility is designated available for operations and working capital (OPEX facility) and \$22.5 million for property investment and development (CAPEX facility). At 30 June 2023, the Company has drawn \$15,561,861 (2022: \$5,052,555) (including accrued interest) from the total facility.

Loan liabilities at 30 June 2023 relate to the properties at Main and Kent Streets, Beenleigh (with a term of 10 years), the NDIS Housing in Marsden (maturing in December 2023), the property at 8 Cinderella (with a term of 5 years), for development projects at 38-42 Sunningdale and 15 Vanessa, 1&3 Laurinda Crescent, Springwood (with a term of 5 years).

As at 30 June 2023, all outstanding loans have a variable interest rate of 4.38% (2022: 2.498%) and are interest only. Interest accrues daily and is payable quarterly in arrears unless the loan relates to a development project in which case the interest is accrued and repaid on the loan repayment date.

Logan City Council has first ranked registered mortgages over the properties for which it has provided loan funding.

The above loans are expected to be settled within 12 months of the end of the reporting period, but the company's ability to fully repay the loans are likely to be affected by the deregistration process.

The company does not currently have any bank loans.

### 22. Share capital

Share capital represents the cost of ordinary shares issued as equity and comprises 8,166,206 (2022: 8,166,206) \$1 fully paid up ordinary shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

The reconciliation of ordinary shares on issue is:

	2023 \$	2022 \$
Opening balance	8,166,206	8,166,206
Issued during the year	-	-
Closing balance	8,166,206	8,166,206

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### 23. Commitments

#### Sunningdale

At 30 June 2023, the Company has entered into a Works Contract with a contracted amount of \$663,257 remaining to be paid.

#### 96-98 York Street, Beenleigh

Under the joint venture agreement relating to the development of 96-98 York Street, Beenleigh, the Company and its joint venture partner each had obligations to contribute \$2.5 million. At 30 June 2023, the remaining commitment to the joint venture was Nil (2022: \$232,799).

### 24. Contingent liabilities

Bank Guarantees	2023	2022
	\$	\$
PS Family Pty Ltd ATF	-	53,302
	-	53,302

At 30 June 2023, the Company had cancelled a facility with CBA to provide bank guarantees (2022: \$53,302).

Under this facility a bank guarantee had been issued to the Company's landlord in respect of its lease of premises at 8 Cinderella Drive, Springwood. As detailed in Note 23 above, the Company has entered into an unconditional contract to purchase this property and as such, this guarantee was cancelled upon settlement of that purchase.

#### Rental Guarantee (96-98 York Street, Beenleigh)

A rental guarantee has been provided in respect of the sale of this property. The joint venture has retained cash to settle this liability as required. At 30 June 2023, the Company does not expect to incur any liability (in excess of the amount already provided by the joint venture) in respect of this guarantee.



# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 25. Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are as follows:

	Note	2023 \$	2022 \$
Financial assets measured at amortised cost:			
Cash and cash equivalents	10	1,338,241	3,705,063
Trade and other receivables	11	42,364	29,935
<b>Total financial assets</b>		<b>1,380,605</b>	<b>3,734,998</b>
Financial liabilities measured at amortised cost:			
Trade and other payables	18	388,266	364,376
Lease liabilities	20	-	325,216
Loans and borrowings	21	15,561,861	5,052,555
<b>Total financial liabilities</b>		<b>15,950,127</b>	<b>5,742,147</b>

#### Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at transaction price, all financial assets are initially measured at fair value adjusted for transaction costs, where applicable.

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

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### 25. Financial instruments (continued)

#### **Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

#### **Financial liabilities**

The Company's financial liabilities include trade and other payables, lease liabilities and loans and borrowings. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Company designates a financial liability at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities designated as financial liability at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **Financial risk management**

In accordance with the approval of voluntary deregistration of the Company, by virtue of the going concern assumption not being appropriate, the Company assessed its liquidity risks. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities under both normal and stressed conditions, without incurring unacceptable losses.

As of 30 June 2023, the expected cash inflows from trade and other receivable maturing within six months were \$42,364 and the expected cash outflows from trade and other payables due within six months were \$388,266. This excludes the potential impacts of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 25. Financial instruments (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements

	Carrying amount	Total	6 months or less	6 - 12 months	More than 1 year
Trade and other payables	388,266	388,266	388,266	-	-
Employee Benefits	200,141	200,141	200,141	-	-
Loans and borrowings	15,561,861	15,561,861	2,703,731	12,858,130	-
<b>Total financial liabilities</b>	<b>16,150,268</b>	<b>16,150,268</b>	<b>3,292,138</b>	<b>12,858,130</b>	<b>-</b>

### 26. Auditor remuneration

The fee relating to the external audit of the financial statements for the reporting period is as follows:

	2023 \$	2022 \$
Audit of the financial report by the Auditor General of Queensland	33,000	30,200

### 27. Related party transactions

The Company's related parties are as follows:

#### A. Entities exercising control over the Company

The parent entity, which exercises control over Invest Logan Pty Ltd, is Logan City Council.

#### B. Key management personnel (KMP)

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, determined to be the Non-Executive Directors and the Chief Executive Officer.

KMP compensation comprised short-term employee benefits and post-employment benefits.

	2023 \$	2022 \$
Total KMP compensation	612,022	560,807

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 27. Related party transactions (continued)

#### C. Other related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with the parent entity, Logan City Council:

<b>Outstanding balances</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Payables	81,516	-
Loans and borrowings	15,561,861	5,052,555
<b>Transactions</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Expenditure</b>		
Purchase of goods and services	105,737	52,743
Interest on borrowings	457,800	82,041
<b>Cash Paid</b>		
Land purchased from Logan City Council	1,500,000	-
<b>Loans</b>		
Loan provided by Logan City Council	10,315,479	2,755,764
Loan repayments to Logan City Council	-	10,596,315
Capitalised interest on loans provided	193,828	61,647

### 28. Events after the reported period

The Brandon Street Marsden NDIS investment property was marketed for sale and has resulted in a contract of sale that was settled on 29 August 2023, as described in Note 14.

Other than the above, the Directors are not aware of any significant events since the end of the reporting period.

# DIRECTORS' DECLARATION

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In the opinion of the Directors of the Company:

- a. the financial statements and notes of Invest Logan Pty Ltd for the financial year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Regulations 2001*; and
  - ii. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Steven Greenwood  
Chairman

Dated at Springwood this day 14 September 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Invest Logan Pty Ltd

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Invest Logan 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 the *Australian Accounting Standards – Simplified Disclosures*.

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 – Cessation of operations and material uncertainty related to going concern

I draw attention to Note 1 in the financial report, which identifies that the Company's sole shareholder, the City of Logan, approved on 22 March 2023 the orderly cessation activities of Invest Logan Pty Ltd with a view to carry out a voluntary deregistration process and transfer of its net assets to the City of Logan. While the directors have prepared the financial statements on a basis other than going concern, there are no material uncertainties for the amounts recognised as the net asset deficiency is expected to be recovered, and other assets are at fair value. My opinion is not modified in respect of this matter.

### **Other information**

Other information comprises the information included in the Invest Logan Pty Ltd directors report for the year ended 30 June 2023 but does not include the financial report and my auditor's report thereon.

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 and 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 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 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.



David Adams  
as delegate of the Auditor-General

15 September 2023

Queensland Audit Office  
Brisbane



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