Visit Sunshine Coast
Queensland Naturally refreshing

Annual Financial Report
2018 / 2019

Annual Financial Report Contents

Directors' Report

for the year ended 30 June 2019

The Directors present their report together with the financial report of Visit Sunshine Coast Limited (VSC) for the financial year ended 30 June 2019 and the Auditor's report thereon.

Directors

Back (Left to right) John Hall, Heidi Meyer, Bill Darby, Mark Skinner, Rodger Powell,
Front (Left to Right) Sarah Pye, Winston Hall, David Ryan, Ashley Howden

The Directors of the company at any time during or since the end of the financial year are:

Directors in office at the reporting date:

Name and qualifications	Experience and special responsibilities
Mr David Ryan *AO, FAICD, FCPA, BBus*	Chairman
Type of Director	Skill-Based
Experience	Appointed Director in 2015.
Special Responsibilities	Member of Audit and Risk Committee
Mr Mark Skinner *MBA, GAICD*	Director and Deputy Chairman
Type of Director	Skill-Based
Experience	Appointed Director in 2012. Reappointed in 2018.
Special Responsibilities	Member of Audit & Risk Committee Member of Nomination and Remuneration Committee
Mr John Hall *BCom, BEcon, MBA, AAUQ, FAICD*	Director and Company Secretary
Type of Director	Skill-Based
Experience	Appointed Director in 2010. Reappointed in 2017.
Special Responsibilities	Chairman of the Audit and Risk Committee Member of Digital Committee

Name and qualifications	Experience and special responsibilities
Mr Ashley Howden	Director
Type of Director	Skilled
Experience	Appointed Director in 2016.
Special Responsibilities	Chairman of Digital Committee Member of Nomination and Remuneration Committee
Mr Rodger Powell *FAICD, FAIM*	Director
Type of Director	Skill-Based
Experience	Appointed Director in 2010. Reappointed in 2018.
Special Responsibilities	Chairman of Nomination and Remuneration Committee Member of Digital Committee
Ms Sarah Pye	Director
Type of Director	Elected
Experience	Appointed Director in 2015. Reappointed in 2017.
Special Responsibilities	Member of Digital Committee
Mr William Darby *MBA, MAICD*	Director
Type of Director	Elected
Experience	Appointed Director in 2017.
Mr Winston Hall	Director
Type of Director	Skill-Based
Experience	Appointed Director in 2018.
Ms Heidi Meyer	Director
Type of Director	Elected
Experience	Appointed Director in 2019.

Directors ceasing to hold office during the financial year:

Mr Fraser Green	Director
Type of Director	Elected

Further details on the Directors' relevant experience, and business interests, can be found at:
http://www.visitsunshinecoast.com/Corporate/About-us/About-VSC-Board

Company Secretary

Mr John Hall is the Company Secretary.

Directors' Report (continued)

Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the company during the financial year are:

Director	No. of full meetings of directors		No. of ARC meetings		No. of Digital meetings	
	A	B	A	B	A	B
Mr David Ryan	10	11	3	4	-	-
Mr Mark Skinner	11	11	4	4	-	-
Mr John Hall	11	11	4	4	2	2
Mr Bill Darby	10	11	-	-	-	-
Mr Fraser Green	4	4	-	-	1	2
Ms Heidi Meyer	2	2	-	-	-	-
Mr Winston Hall	9	9				
Mr Ashley Howden	11	11	-	-	4	4
Mr Rodger Powell	9	11	-	-	3	4
Ms Sarah Pye	11	11	-	-	4	4

A = Number of meetings attended
B = Number of meetings eligible to attend

Audit and Risk Management Committee Meetings

The Audit and Risk Management Committee (ARC) comprises John Hall as Chairman, David Ryan and Mark Skinner. The meetings are attended by the company's Chief Executive Officer (CEO) and Financial Controller. The purpose of the Committee is to assist the Board with its responsibilities as they relate to:

- The financial reporting process;
- Risk management;
- The maintenance of internal controls and accounting systems; and
- Corporate governance.

Digital Committee Meetings

The Digital Committee comprises Ashley Howden as Chairman, John Hall, Rodger Powell and Sarah Pye. The meetings are attended by the company's Head of Marketing and digital team. The committee's purpose is to assist the Board with its responsibilities as they relate to:

- VSC digital strategy; and
- Digital supplier management plan.

Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee comprises Rodger Powell as Chairman, David Ryan, Mark Skinner and Ashley Howden. The committee's purpose is to assist the Board with its responsibilities as they relate to:

- Culture and Diversity;
- Performance and Remuneration;
- Succession, Nominations and Recruitment; and
- Induction and Continuing Development.

Principal Activity

The principal activity of the Company is to advance the promotion and development of tourism within the Sunshine Coast region, which encompasses the combined local government areas of the Sunshine Coast Council, Noosa Council and Gympie Regional Council. There were no significant changes in the nature of the activity of the company during the year.

Strategic Objectives

The company's objective is to grow the contribution of tourism to the Sunshine Coast regions economy by:

1. Promoting the region and building destination awareness within Australian and international markets to drive demand and grow visitor nights and yield;
2. Expanding digital presence through innovative online and social media strategies;
3. Being the sought-after partner of key tourism industry stakeholders;
4. Building an engaged and active membership base;
5. Strengthening existing and developing new strategic partnerships to grow funding and resources;
6. Assisting industry to improve service quality and supply, develop new product offerings and refurbish existing products;
7. Lobbying and influencing relevant parties to develop improved visitor access to the region.

Dividends

VSC is a company limited by guarantee. Accordingly, no dividends were paid or declared by the company during the financial year.

Corporate Governance Statement

Responsibilities

The Board of Directors is responsible to the members for the performance of the company in both the short and the long term and seeks to balance these sometimes-competing objectives in the best interests of the company as a whole.

The functions of the Board include:

- Review and approval of corporate strategies, the annual budget and financial plans;
- Monitoring organisational performance and the achievement of the company's strategic goals and objectives;
- Monitoring financial performance including approval of the annual financial reports and liaison with the company's Auditors;
- Appointment and assessment of the performance of the CEO;
- Establishing effective management processes and approving major corporate initiatives;
- Enhancing and protecting the reputation of the company;
- Identifying significant risks facing the company and implementing adequate controls, monitoring and reporting mechanisms; and
- Reporting to members.

Directors' Report (continued)

Board Members

Details of the members of the Board are set out in the Directors' report under the heading "Directors". The Board operates in accordance with the principles set out in the company's constitution, including:

- The Board must comprise of a majority of Skill-Based Directors and have a minimum of three Elected Directors, as such there must be a minimum of seven and a maximum of eleven Directors. The Board currently comprises nine members.
- The Chairman of the Board is appointed by the Board.

Likely Developments

The company will continue to implement strategies to increase visitation to the Sunshine Coast and achieve its goals. This includes continued engagement with its members and key stakeholders and by targeting new strategic partnerships.

Lead Auditor's Independence Declaration

The lead Auditor's Independence Declaration is set out on page 6 and forms part of the Directors' report for the financial year ended 30 June 2019.

This report is made with a resolution of the Directors.

David Ryan, Chairman

Dated at Maroochydore this day 22 October 2019.

Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF VISIT SUNSHINE COAST LIMITED

ABN 14 144 749 717

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Poole Audit Group Pty Ltd
Level 1, 8 Innovation
Parkway
BIRTINYA QLD 4575

Donald Glenn Poole
Registered Company Auditor No. 5951

Statement of Financial Position

as at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current Assets			
Cash and cash equivalents	4	1,773,964	1,588,614
Trade and other receivables	5	182,591	2,842
Prepayments	6	294,975	77,980
Total Current Assets		2,251,529	1,669,436
Non-current assets			
Property, plant and equipment	7	97,659	94,698
Intangible assets	8	10,135	72,929
Total Non-current Assets		107,794	167,627
Total Assets		2,359,323	1,837,063
Liabilities			
Current Liabilities			
Trade and other payables	9	932,848	505,135
Borrowings	10	0	26,828
Provisions	11	99,917	101,873
Total Current Liabilities		1,032,765	633,836
Non-Current Liabilities			
Borrowings	12(c)	-	-
Provisions	11	25,129	20,230
Total Non-current Liabilities		25,129	20,230
Total Liabilities		1,057,894	654,066
Net Assets		1,301,429	1,182,997
Equity			
Retained surplus		1,301,429	1,182,997
Total Equity		1,301,429	1,182,997

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2019

	Note	2019	2018
		$	$
Income			
Revenue	14	5,445,973	5,565,146
Expenses			
Administration		788,550	702,864
Depreciation and amortisation expenses		114,215	139,305
Impairment on Office Equipment & Furniture		23,000	0
Interest expense		209	1,934
Industry representation		196,053	165,637
Marketing and promotion		4,164,295	4,251,663
Research		78,141	7,872
Total Expenses		5,341,463	5,269,275
Finance income	17	13,922	10,570
Net Finance income		13,922	10,570
Net surplus/(deficit) before income tax		118,432	306,441
Income tax expense		-	-
Net surplus/(deficit) for the year		118,432	306,441
Other comprehensive income		-	-
Total comprehensive income for the year		118,432	306,441

Statement of Cash Flows

for the year ended 30 June 2019

	Note	2019 $	2018 $
Cash Flows From Operating Activities			
Cash receipts from customers		5,646,375	5,557,198
Cash paid to suppliers and employees		(5,377,939)	(4,997,448)
Cash generated from operations		268,436	559,750
Interest received		13,922	10,570
Finance/Borrowing costs		(3,674)	(4,894)
Net cash generated from operating activities	18	278,684	565,426
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		12,609	-
Acquisition of property, plant and equipment		(79,115)	(19,622)
Acquisition of intangible assets		-	-
Net cash used in investing activities		(66,506)	(19,622)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(26,828)	(24,577)
Net cash used in financing activities		(26,828)	(24,577)
Net increase/(decrease) in cash and cash equivalents		185,350	521,227
Cash and cash equivalents at 1 July		1,588,614	1,067,387
Cash and cash equivalents as at 30 June	4	1,773,964	1,588,614

Statement of Changes in Equity

for the year ended 30 June 2019

	Retained Surplus $	Revaluation Surplus $	Total $
Balance at 1 July 2017	876,556	-	876,556
Comprehensive Income			
Profit attributable to the entity	306,441	-	306,441
Other comprehensive income for the year	-	-	-
Revaluation increment/(decrement)	-	-	-
Total Comprehensive Income	306,441	-	306,441
Balance as at 30 June 2018	1,182,997	-	1,182,997
Comprehensive Income			
Profit attributable to the entity	118,432	-	118,432
Other comprehensive income for the year	-	-	-
Revaluation increment/(decrement)	-	-	-
Total Comprehensive Income	118,432	-	118,432
Balance as at 30 June 2019	1,301,429	-	1,301,429

Notes to Financial Statements

1. Reporting Entity Concept

Visit Sunshine Coast Limited (VSC) or “the company” is a not-for-profit company domiciled in Australia. The address of the company’s registered office is Level 3, Suite 301, 8 Maroochydore Road, Maroochydore, Queensland 4558. The company primarily is involved in the promotion and development of tourism in the Sunshine Coast region in Queensland.

2. Significant Accounting Policies

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

AASB 9 Financial Instruments became mandatorily effective for reporting periods commencing 1 January 2019. Accordingly, this standard applies for the first time to this set of financial statements.

The nature and effect of changes arising from adoption of AASB9 are summarized below. Note 3 details the company’s financial instruments accounting policies.

New Standards adopted as at 1 July 2018 – AASB 9

The company has adopted AASB 9 Financial Instruments, with a date of initial application of 1 July 2018.

The adoption of AASB 9 has not resulted in any changes to the accounting treatment of any Financial Instruments of the company.

3. Basis of Preparation

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Because the company is a not-for-profit-entity and AASBs include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), the financial report of the company does not comply with all IFRSs and interpretations adopted by the International Accounting Standards Board.

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

b) Basis of measurement

The financial report has been prepared on the historical cost basis, modified, where applicable, by the measurement at fair value of selected non-current assets.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the company’s functional currency.

d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

e) Foreign currency

Transactions in foreign currencies are translated to Australian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate on that date. Foreign currency differences arising on translation are recognised in income or expense.

f) Financial instruments

i) Non-derivative financial assets

The company initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company ceases to recognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Basis of Preparation (continued)

f) Financial instruments (continued)

i) Non-derivative financial assets (continued)

The Company has the following non-derivative financial assets:

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any expected credit losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

ii) Non-derivative financial liabilities

The company initially recognises debt securities issued and subordinated liabilities on the date that they are originated.

All other financial liabilities are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument. The company ceases to recognise a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial liabilities: trade and other payables. Such financial liabilities are recognised initially at fair value through profit or loss. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost or fair value through profit or loss. A financial liability is measured at fair value if the financial liability is initially designated at fair value through profit or loss. All other financial liabilities (if any) are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. It is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

iii) Compound financial instruments

The company has not issued any compound financial instruments.

iv) Derivative financial instruments, including hedge accounting

The company holds no derivative financial instruments.

g) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at historic cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and capitalised borrowing costs (see below). 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.

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 comprehensive income.

Notes to Financial Statements

for the year ended 30 June 2019

3. Basis of Preparation (continued)

g) Property, plant and equipment (continued)

i) Recognition and measurement (continued)

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 July 2010, the company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

i) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to- day servicing of property, plant and equipment are recognised in expenses as incurred.

ii) Depreciation

Depreciation is recognised in expenses on a prime cost basis over the estimated useful lives of each motor vehicle and on a diminishing basis for office equipment. Depreciation is recognised on a prime cost basis over the term of lease for leasehold improvements. Diminishing value method is recognised for computer equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Classification of fixed asset	Depreciation rate
• Office furniture	3-5 years
• Computer equipment	5 years
• Motor vehicles	5 years
• Leasehold improvements	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

h) Intangible assets

Depreciation is recognised in expenses on a prime cost basis over the estimated useful lives of intangible assets. The estimated useful lives for the current and comparative periods are as follows:

Classification of fixed asset	Depreciation rate
• Intangible Assets - Website	3 years

i) Leased assets

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payment are allocated between the reduction of the lease liability and the lease interest expense for the period.

Other leases are operating leases and the leased assets are not recognised on the company's statement of financial position.

j) Impairment

i) Financial assets

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income; contract assets (amount due from customers under contracts).

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

3. Basis of Preparation (continued)

j) Impairment (continued)

i) Financial assets (continued)

The company uses the simplified approach as applicable under AASB 9: Financial Instruments. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables. In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of the customer base, appropriate groupings of the company's historical loss experience, the credit history of major customers).

If a financial asset is determined to have low credit risk at the initial reporting date, the company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12 month expected credit loss, if any.

In order to make such a determination that the financial asset has low credit risk, the company applies its internal credit risk rating using a globally comparable definition of low credit risk.

ii) Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. As the entity is a not-for-profit entity, value in use is the depreciated replacement cost of an asset as the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and as the entity would, if deprived of the asset, replace its remaining future economic benefits.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in expenses. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 or amortisation, if no impairment loss had been recognised.

k) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits. Contributions are made by the entity to each employees designated superannuation fund and are charged as expenses when incurred.

l) Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

m) Revenue

i) Services

Revenue from services rendered is recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

3. Basis of Preparation (continued)

n) Government grants

i) Grants received

Grants in respect of operating expenses (operating or revenue grants) and grants for the purchase of property, plant and equipment (capital grants) are accounted for, based on the nature of any attached conditions to the grants, as either reciprocal or non-reciprocal grants.

Reciprocal grants received
Grants where the company is obliged to repay unutilised funds or has a return obligation that implies the existence of a reciprocal transfer are initially brought to account as revenue in the years in which they are received. A liability is recognised to the extent it is probable that the funds are likely to be returned and considering the percentage of completion achieved.

Non-reciprocal grants received
Grants where the company is not obliged to repay unutilised funds or does not have a return obligation that implies the existence of a reciprocal transfer are brought to account as revenue in the years in which they are received.

ii) Contributions

Contributions of assets, including the right to receive cash or other forms of assets without directly giving approximately equal value to the other party or parties to the transfer are recognised as revenue at fair value when: the company obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the company and the amount of the contribution can be measured reliably.

o) Lease payments

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset.

An arrangement conveys the right to use the asset if the arrangement conveys to the company the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the company's incremental borrowing rate.

p) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues using the effective interest method.

q) Income tax

The company is exempt from income tax under Division 50-40 (Primary and secondary resources, and tourism) of the Income Tax Assessment Act 1997.

r) 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 net 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.

Notes to Financial Statements

for the year ended 30 June 2019

3. Basis of Preparation (continued)

s) Presentation of financial statements

The company applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

4. Cash and cash equivalents

	Note	2019	2018
		$	$
Cash at bank - unrestricted		177,612	236,158
Call Deposits		1,596,352	1,352,456
Cash and cash equivalents		1,773,964	1,588,614
Bank overdrafts repayable on demand		-	-
Cash and cash equivalents in the statement of cash flows		1,773,964	1,588,614

The company's bankers, the National Australia Bank, holds a bank guarantee of $21,692 in respect to the lease for the company's office at Airport House, 10 Electra Lane Marcoola QLD 4564.

The company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 12.

5. Trade and other receivables

	Note	2019	2018
Current		$	$
Trade receivables		104,940	2,842
Provision for doubtful debts		-	-
GST receivable		55,647	-
Sundry debtors		22,004	-
		182,591	2,842

a) Provision for doubtful debts

Movement in the provision for doubtful debts is as follows:

Provision for doubtful debts as at 1 July 2017	1,430
Charge for year	-
Written off	(680)
Prior year doubtful debts recouped	(750)
Provision for doubtful debts as at 30 June 2018	-
Charge for year	-
Written off	-
Prior year doubtful debts recouped	-
Provision for doubtful debts as at 30 June 2019	-

The company's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in note 12.

Notes to Financial Statements

6. Prepayments

	2019 $	2018 $
Current		
Prepaid expenses	294,975	77,980
	294,975	77,980

7. Property, plant and equipment

	Office furniture $	Motor vehicles $	Office equipment $	Leasehold improvement $	Total $
Cost					
Balance as at 1 July 2017	108,832	259,023	332,051	44,865	744,770
Additions	525	-	19,096	-	19,621
Disposals	-	-	16,779	-	16,779
Balance as at 30 June 2018	109,357	259,023	334,368	44,865	747,613
Balance as at 1 July 2018	109,357	259,023	334,368	44,865	747,613
Additions	25,718	26,012	27,385	-	79,115
Disposals	8,075	140,769	11,717	-	160,561
Balance as at 30 June 2019	127,000	144,266	350,036	44,865	666,167
Depreciation and Impairment					
Balance as at 1 July 2017	105,030	220,469	227,674	37,787	590,960
Depreciation	2,712	23,650	43,945	6,205	76,512
Disposals	-	-	14,556	-	14,556
Balance as at 30 June 2018	107,742	244,119	257,063	43,992	652,916
Balance as at 1 July 2018	107,742	244,119	257,063	43,992	652,916
Depreciation	3,844	14,691	32,135	751	51,421
Disposals	8,075	140,768	9,986	-	158,829
Impairment	12,405	-	10,484	112	23,000
Balance as at 30 June 2019	115,916	118,042	289,696	44,854	568,508
Net book value					
At 30 June 2018	1,616	14,904	77,305	873	94,698
At 30 June 2019	11,084	26,224	60,340	11	97,659

8. Intangibles

	2019 $	2018 $
Website at Cost	188,400	188,400
Accumulated amortisation	178,265	115,471
Accumulated impairment	-	-
Net carrying amount	10,135	72,929
Website		
Balance at the beginning of the year	72,929	135,723
Additions	-	-
Disposals	-	-
Amortisation expense	62,794	62,794
Balance at the end of the year	10,135	72,929

9. Trade and other payables

	2019 $	2018 $
Trade creditors	268,988	106,463
Sundry creditor accruals	77,446	116,043
Other payables owing	36	-
GST liability	-	23,559
Payroll liabilities	53,094	50,253
Deferred income	533,284	208,817
	932,848	505,135

The company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 12.

10. Borrowings

	2019 $	2018 $
Motor vehicle lease(s)	-	26,828
	-	26,828

Notes to Financial Statements

11. Provisions

	2019	2018
	$	$
Opening balance at the beginning of the year	122,103	95,156
Additional provisions raised during year	134,400	134,899
Amounts used	(131,457)	(107,952)
Balance at the end of the year	125,046	122,103

Analysis of Provisions	**2019**	**2018**
	$	**$**
Current:		
Annual leave entitlements	99,917	101,873
	99,917	101,873
Non-Current:		
Long service leave entitlements	25,129	20,230
	25,129	20,230
	125,046	122,103

Provisions represent the amounts accrued for employee annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlement that have been vested due to employees having completed the required period of service.

Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities as the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

12. Financial Instruments

a) Financial risk management

Overview

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

At the reporting date, there were no significant concentrations of credit risk.

The company has established a credit policy under which each new customer is analysed individually for credit worthiness. The company reviews external ratings, when available, and in some cases bank references.

The company does not require collateral in respect of trade and other receivables.

ii) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient readily available funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

iii) Market risk

Market risk is the risk of changes in market prices, such as interest rates, affecting the company's assets and income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

b) Credit risk

Exposure to credit risk

The carrying amount of the company's financial assets represents the maximum credit exposure.

	2019	2018
	$	$
Cash and cash equivalents	1,773,964	1,588,614
Trade and other receivables	182,591	2,482
	1,956,555	1,591,456

12. Financial Instruments (continued)

b) Credit risk (continued)

The company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2019	2018
	$	$
Australia	182,591	2,842
Other regions	-	-
	182,591	2,842

The company's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2019	2018
	$	$
Government entities	55,647	2,619
Non-Government entities	126,944	223
	182,591	2,842

The ageing of the company's trade receivables at the reporting date was:

	2019		2018	
	Gross	Gross	Gross	Impairment
	$	$	$	$
Current	163,272	-	2,842	-
31 to 60 days	19,019	-	-	-
61 to 90 days	300	-	-	-
91 days and over	-	-	-	-
	182,591	-	2,842	

c) Liquidity risk

Finance leases on motor vehicles of which there are 0 (2018: 3), commencing 2014, were five year leases and all leases had an option to purchase at the end of the lease term. No debt covenants or other such arrangements are in place.

12. Financial Instruments (continued)

c) Liquidity risk (continued)

Payable minimum lease payments

	2019 $	2018 $
- less than 12 months	-	26,828
- more than 12 months but not later than five years	-	-
- greater than five years	-	-
	-	26,828

Trade and other payables

	2019 $	2018 $
- less than 12 months	932,848	505,135
- more than 12 months but not later than five years	-	-
- greater than five years	-	-
	932,848	505,135

Capital Commitments

	2019 $	2018 $
- less than 12 months	-	-
- more than 12 months but not later than five years	-	-
- greater than five years	-	-
	-	-

d) Currency risk

The company has minor exposure to foreign currency risk on some sales and purchases.

e) Fair values

The fair values of financial assets and liabilities approximate the carrying amounts shown in the statement of financial position.

13. Capital and Reserves

Company limited by guarantee

The company is a company limited by guarantee. Accordingly, each member of the company undertakes to contribute to the assets of the company in the event of it being wound up while that person is a member or within one year after that person ceased to be a member for payment of the debts and liabilities of the company contracted before that person ceased to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributors amongst themselves, such amount as may be required, not exceeding $20.

Notes to Financial Statements

14. Revenue

	2019 $	2018 $
Government and institutional grants		
- Sunshine Coast Council	4,182,702	4,211,110
- Tourism and Events Queensland	643,471	660,377
- Other	118,071	178,622
Industry contributions	426,759	426,847
Sundry other	74,970	88,190
	5,445,973	5,565,146

15. Personnel expenses

Included in expenses for the year are the following personnel expenses:

	2019 $	2018 $
Salaries and Wages	1,976,286	1,850,807
Superannuation contributions	180,210	157,943
Increase/(Decrease) in liability for annual leave	-1,956	24,290
Increase/(Decrease) in liability for long services leave	4,900	2,656
	2,159,439	2,035,696

16. Director fees and related entity payments

	2019 $	2018 $
Directors Fees	82,210	73,136
Related entity payments	54,519	36,204

Related entity payments include entities that are controlled, or jointly controlled by those Directors individually or collectively.

17. Finance Income

	2019 $	2018 $
Interest income on bank deposits	13,922	10,570
Net finance income	13,922	10,570

18. Reconciliation of cash flows from operating activities

	2019	2018
Cash flows from operating activities	**$**	**$**
Net surplus (deficit) for the year	118,432	306,441
Adjustment for depreciation and amortisation	114,215	139,305
Adjustment for Impairment	23,000	-
(Profit)/Loss on sale of asset	(10,875)	2,223
Operating surplus before changes in working capital and provisions	244,772	447,969
Change in trade and other receivables	(124,065)	(251)
Change in prepayments	(216,995)	51,166
Change in trade and other payables	372,029	39,596
Change in provisions and employee benefits	2,944	26,946
Net cash from operating activities	278,684	565,426

19. Expenses

	2019	2018
	$	**$**
Auditors Remuneration	14,480	14,510
Rental Expenses on operating leases	99,863	95,287

20. Capital and leasing commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

Payable - minimum lease payments:

	2019	2018
	$	**$**
Not later than 12 months	89,567	82,019
Later than 12 months but not later than five years	370,072	123,172
Later than five years	8,011	-
	467,650	205,191

The property lease commitment is a non-cancellable operating lease contracted for but not recognised in the financial statements with a five year term. Increase in lease commitments will be a fixed 3% per annum after year 2. Year 1 and year 2 lease commitments are fixed with nil increase.

The photocopier lease commitment is a cancellable rental lease agreement contracted for but not recognised in the financial statements with a five year term. The lease cost is fixed and there are no price increases during the term of the agreement.

Notes to Financial Statements

20. Capital and leasing commitments (continued)

Commitments

As at 30 June 2019, the company had commitments of $450,000 to Fairfax Media Events Pty Ltd relating to the sponsorship agreement ending 3 months after the staging of the 2021 Curated Plate event.

21. Fair Value Measurement

The company has measured and recognised certain plant and equipment items at fair value on a non-recurring basis (2012) under Level 2 of the fair value hierarchy.

Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1: measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: measurements based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: measurements based on unobservable inputs for the asset or liability.

The fair value measurement of the plant and equipment took place as a result of the company's acquisition of the Visitor Information Centres from the Sunshine Coast Regional Council in July 2012. These assets are currently being depreciated in accordance with their useful life to the company.

22. Economic dependency and going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the company to continue its operations at current levels is dependent upon future ongoing funding being provided by the funding bodies. The company renewed its funding arrangement with the company's major funding body for a further 4 years (effective 1st July 2018, ending 30th June 2022) with no significant changes to the terms. The agreement includes the provision for the funding to be extended each year by a further year unless otherwise notified by the provider, on or about the commencement of each financial year following the anniversary. In essence, creating the potential for a rolling funding deed.

Directors' Declaration

Directors' Declaration

In the opinion of the directors of Visit Sunshine Coast Limited (the company):

a) the financial statements and notes, set out on pages 9 to 27 are in accordance with the Corporations Act 2001, including:

i) compliance with Australian Accounting Standards; and

ii) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

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:

David Ryan, Chairman

Dated at Maroochydore this day 22 October 2019.

Independent Auditors' Report

TO THE MEMBERS OF VISIT SUNSHINE COAST LIMITED

ABN 14 144 749 717

Report on the Financial Report

Opinion
We have audited the financial report of Visit Sunshine Coast Limited ('the Company'), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Visit Sunshine Coast Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon
The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility
Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Independent Auditors' Report

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our 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 the purpose of expressing an audit 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 directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Poole Audit Group Pty Ltd
Level 1, 8 Innovation Parkway
BIRTINYA QLD 4575

Donald Glenn Poole
Registered Company Auditor No. 5951
2019