

The Mill at Moreton Bay

Millovate Pty Ltd
Annual Report
2023-24



The Mill at Moreton Bay

Acknowledgement

Millovate Pty Ltd acknowledges the Traditional Custodians of the land on which The Mill at Moreton Bay is located – the Kabi Kabi and Turrbal Peoples – and recognise their enduring connection to our lands, waterways and skies. Millovate and the City of Moreton Bay pay our respects to Elders past, present and emerging and are committed to engaging meaningfully with the Traditional Custodians of this land for activities taking place at The Mill at Moreton Bay.

An aerial photograph of a city landscape. In the foreground, a large, modern building with a white, angular roof and a dark, textured facade is visible. To its left is a parking lot with several cars. To its right, a multi-lane road with traffic flows towards the background. Further right, a set of rail tracks runs parallel to the road. The middle ground is filled with dense green trees and residential housing. In the background, a range of low mountains is visible under a clear blue sky.

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Nigel Chamier
Chairman, Millovate Board

Letter from the Chairman

I am pleased to present our
Annual Report for 2023-24.

The Mill at Moreton Bay supports City of Moreton Bay's Bigger, Bolder and Brighter vision and is being developed as a landmark destination to enhance economic and social prosperity.

Millovate is focused on attracting private investment through strategic development and investment precinct partnerships that will ultimately shape the direction of The Mill.

Key industry sectors of education, health, advanced manufacturing, technology, sports and entertainment will serve to shape the future prosperity of The Mill and its city shaping opportunities for City of Moreton Bay.

On 12 June 2024, Council voted to pass a resolution to commence integration of Millovate Pty Ltd back into Council.

The Millovate Interim CEO and Council CEO developed a Transition Plan to guide the closedown of the company and handover to Council by 27 September 2024.

Millovate prepared a Going Concern position paper at the request of Deloitte as part of the QAO External Audit process.

This 2023-24 Annual Report reflects the approved Transition Plan and Going Concern position paper and as such this represents the final Annual Report for the Company.

All operations will cease on or before the 27 September 2024 which aligns with the AGM.

The following resolution will be tabled by Millovate at the AGM.

"Moreton Bay City Council, as the sole shareholder of Millovate Pty Ltd ('the Company') resolves to approve the deregistration of the Company, following the lodgement of the final Business Activity Statement with the Australian Taxation Office, receipt of the anticipated GST refund, and closure of the Company's bank account."

I acknowledge my fellow Directors, Interim CEO John Aitken and all the Millovate team for their dedication and commitment in helping to shape the future of The Mill precinct.

I wish to commend the Mayor, Councillors and Council CEO for their commitment to the long term vision of The Mill precinct.

As this will be the last annual report, I wish to acknowledge all the company directors and staff who have served Millovate since its inception in September 2020 and wish the Mayor and Council every success in continuing to shape and deliver upon this significant game changing project.



Letter from the Chief Executive Officer



John Aitken

Interim Chief Executive Officer, Milloivate

Throughout the financial year, the Milloivate team has worked closely with the Board, Council, Industry and UniSC to align market interest and opportunities with the required planning and infrastructure delivery that will enable strategic development of this precinct.

The opening of the University's Stage Two development in early 2024 marked a significant milestone for The Mill at Moreton Bay.

Future development milestones of a Tier One Olympic venue and potential hospital development will build upon the University's foundation developments, further shaping this precinct and the economic future of City of Moreton Bay. In addition to this, Milloivate has nurtured an extensive qualified pipeline of technology, advanced manufacturing and health-based investors and anchor tenants.

The Mill Central Master Plan and associated Business Case will guide future Council decision making, as well as informing investors, developers and tenants in their consideration of The Mill.

During the 2023-24 financial year Milloivate's priority projects included:

- Mill Central East Master Plan, Built Form guidelines and 3D flyover informing development, attracting investors and tenancies to the precinct
- Mill Central East Business Case and Feasibility Model informing the future of The Mill
- obtained Queensland Government Queensland Innovation Precincts and Places Fund Grant providing for the completion of The Mill Innovation Investment Strategy informing government and private investment in innovation generating developments and tenancies at The Mill

- delegation from Council to transact key development sites in Mill Central East (placed on hold due to transition back in to Council)
- progressed formal commercial transaction programs with advanced manufacturing, technology and health based proponents
- ongoing collaboration with UniSC supporting their education, research, industry partnerships and future development aspirations for the Moreton Bay campus
- marketing and promotion of The Mill precinct through strategic investment campaign
 - The Mill Investment Prospectus distributed to qualified database of over 400
 - 160 investor engagements throughout the year
 - 60 active investor leads in The Mill investment pipeline
 - 80+ targeted investment prospects across Health, Advanced Manufacturing and Technology including industries focussed on Research and Development

I wish to thank the Board for their leadership and support, and my Milloivate team for their diligence and expertise. I also thank the Mayor, Councillors, Council CEO, ELT and council officers for their support and affording the opportunity to work on the curation of this socio-economic precinct for City of Moreton Bay.

As this is my final annual report as Interim CEO, I wish City of Moreton Bay every success in delivering upon the vision of The Mill.



About The Mill at Moreton Bay

An important part of City of Moreton Bay's Regional Economic Development Strategy (REDS) 2020-2041, The Mill at Moreton Bay is one of five region-building projects in a 20-year strategy to drive and deliver economic development and community outcomes.

Established to help deliver a Bigger, Bolder and Brighter future for the city, and to contribute to the projected \$40 billion economy, The Mill at Moreton Bay is focussed on:

- building capabilities in health and wellbeing
- lifelong learning, innovation and research
- providing world-class educational opportunities
- high value employment opportunities that support the city's continued economic development and community aspirations.

With its economic, environmental and social benefits already being seen across the city, The Mill is being planned, delivered and activated as a distinctive urban centre with new employment opportunities and recreation spaces, plus investment opportunity and development potential delivering for all of Moreton Bay.



The Mill at Moreton Bay PDA



About Millovate

City of Moreton Bay formed Millovate Pty Ltd as a beneficial enterprise to drive and manage the vision, planning and development within The Mill at Moreton Bay Priority Development Area (PDA) declared by the Queensland Government in 2016.

Millovate has an independent board, as well as executive leadership and support team, with responsibility for leading the planning, delivery and activation of The Mill at Moreton Bay (65 hectares) on behalf of Council. Millovate's focus is to attract and procure high-value investment that will establish and deliver sustainable economic development and community benefits for the next 20 years and beyond.

Millovate is working with the public and private sectors, industry and investors, to plan and deliver the future of the precinct and create a resilient, inclusive and low emissions development that will become a significant landmark destination and community centre within Moreton Bay, as well as South East Queensland.

The Role of Millovate

Millovate is focused on promoting economic development and investment opportunities that enable investors to capitalise on the unique propositions presented at The Mill at Moreton Bay.

Millovate is dedicated to activating 65 hectares of City of Moreton Bay - owned land within The Mill at Moreton Bay PDA, comprising Mill Central (35 hectares) and Mill Innovation (30 hectares) with protected Mill Green natural space. Millovate supports Council to retain, rehabilitate and enhance the precinct's natural environment and koala habitat.

Millovate's core activity focuses on delivery and management of The Mill at Moreton Bay in accordance with Council's objectives, including:

- developing Council-owned land within The Mill at Moreton Bay PDA
- attracting and facilitating delivery of appropriate investment and long-term employment opportunities
- fostering destination placemaking
- delivering innovative and sustainable design, including integrated and well executed land use and transport planning
- creating community infrastructure and enhancing the conservation values of green spaces
- achieving appropriate commercial and non-commercial targets.

Millovate's Vision

The Mill at Moreton Bay will be delivered as a landmark destination for Moreton Bay – a place to learn, grow, live, work and play.

Millovate's Mission

Millovate's mission is to plan, deliver and activate a place that enables individuals, communities, businesses and industries, to thrive, grow and be sustainable.

Millovate's Values

Millovate is committed to the following values:

- **Quality** – in the delivery of high quality and contemporary community infrastructure
- **Innovation** – in pursuing creative, inspirational and sustainable development
- **Integrity and honesty** – in its actions and relationships
- **Collaboration** – in its approach to project delivery and urban development integration
- **Sustainability** – through a commitment to supporting sustainable environmental outcomes.

Strategic Objectives

Millovate's strategic objectives are as follows –

Sustainable economic development that provides a return commensurate with risk

A long-term, future-focused approach, with flexibility to adapt to opportunities

A clear value proposition that differentiates The Mill at Moreton Bay from other PDAs

Collaboration, connectivity and integration across each of The Mill at Moreton Bay's sectors

Demonstrated leadership in the delivery of sustainable development

Delivery of a highly-activated, internationally-recognised place

Inspiring a sense of community pride across the region and further afield

Environmental Forces Shaping Millovate's Approach

Community: A rapidly growing population

Education: Increasing the below average higher education participation rates

Economy: Increasing the below average median incomes

Leadership: Strong support from all levels of Government

Environment: Climate change impacts on our local environment.

The Millovate Board

The Millovate Board comprises highly experienced members, with expertise encompassing development, marketing and communications, investment attraction, tourism, finance, innovation and banking.

2023–24 Directors



Nigel Chamier AM
Chairman

Nigel has specialist skills in property and major infrastructure projects, together with several decades' experience as a Chair and Company Director.

Following two decades with world leader in real estate services, JLL, he has undertaken a wide range of roles including as Chair of the Gold Coast 2018 Commonwealth Games Corporation and Chair of the Commonwealth Games Infrastructure Authority. Nigel was a Director of Queensland Airports Limited for five years, a Director of South Bank Corporation and Chair of the highly acclaimed \$215 million restoration of the Brisbane City Hall. His current roles include Chair of Brisbane Sustainability Agency, the Menzies Health Institute of Queensland, and a Director of the ACT City Renewal Authority.



Patrice Sherrie
Director, Deputy Chair

Patrice has spent over three decades in chartered accounting and commerce including PWC, Queensland Ballet and CEO of Paridian Property Development Fund.

Patrice's current directorships include City of Brisbane Investment Corporation, QBANK, Tonkin Consulting and Andersens Floor Coverings. Her previous directorships include Sunwater Ltd, Bentleys Chartered Accountants, Acumentis Ltd, Premise Engineering Consultants, the UDIA and Women's College within the University of Queensland.



Toni Thornton
Director

Toni is an experienced company director who has worked in corporate finance agencies for more than 15 years.

Toni brings a strategic commercial focus having previously held senior positions with both JBWere and Goldman Sachs. Her current directorships include The Star Entertainment Group, G8 Education, CS Energy (where she is Chair of the Audit and Risk) and Habitat Early Learning. Toni was previously a Board member of South Bank Corporation, Chair of the strategic advisory group to RSL Queensland and a Director of the Gallipoli Medical Research Foundation and Triathlon Queensland.

Resigned 30 Jun 2024



Jim Walker AM
Director

Resigned 30 Jun 2024

Jim is a senior executive with significant corporate leadership and management experience, both nationally and globally.

He has held senior executive positions with United Technologies, Rockwell Collins and Boeing, leading and building businesses across Australia and the Asia Pacific. He also has significant board and governance experience, both in Australia and Asia. He is a graduate of the Australian Institute of Company Directors and has director experience with listed company, joint venture, not-for-profit and advisory boards.



Greg Chemello
Director

Resigned 11 Aug 2023

Greg has 35 years' experience in property development, project delivery, economic development, stakeholder and community engagement, and governance.

Greg has held senior professional, management and leadership roles with public and private sector property asset owners, and private sector development advisory / consulting businesses. Over the past 20 years, his leadership has focused on organisations experiencing substantial transformation including Ipswich City Council as Interim Administrator following a dissolution of Council. Greg was Chief Executive Officer of Moreton Bay Regional Council until May 2023.





Financial Report

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Directors' Report

For the year ended 30 June 2024

Directors' Report

The Directors present their report on the financial results and operations of Millovate Pty Ltd ('Millovate' or the 'Company') for the financial year ended 30 June 2024.

Directors

The Directors of Millovate during the financial year and up to the date of this report are listed below (unless noted otherwise):

Name	Date appointed	Other responsibilities
Nigel Chamier AM	3 Sep 2020	Chair of the Millovate Board of Directors. Member of the Audit & Risk Committee ('ARC')
Patrice Sherrie	3 Sep 2020	Deputy Chair of the Millovate Board of Directors. Chair of the Audit & Risk Committee ('ARC')
Jim Walker AM **	3 Sep 2020	Member of the Audit & Risk Committee ('ARC').
Toni Thornton **	3 Sep 2020	Member of the Audit & Risk Committee ('ARC')
Greg Chemello*	3 Sep 2020	
John Aitken ***	28 Aug 2024	Interim Chief Executive Officer

* Greg Chemello resigned as Director of the Company on 11/08/2023.

** Jim Walker AM and Toni Thornton resigned as Directors of the Company on 30/06/2024

*** John Aitken appointed as a Director on 28/08/24

Officers of the Company

John Aitken leads the strategic direction of Millovate and is tasked with attracting private investment and economic development opportunities and developing The Mill at Moreton Bay on behalf of the Board of Directors of Millovate and Moreton Bay City Council ('MBCC'). John Aitken was appointed as Alternate Director on 21/06/24. John Aitken was appointed as a Director on 28/08/24.

Andrew Ritter was appointed Company Secretary on 21/12/2022.

Principal activities

Millovate was established to plan, deliver and activate The Mill at Moreton Bay as a landmark destination for the Moreton Bay region.

Review of operations

The funding received by Millovate's parent entity, Moreton Bay City Council, during the year ended 30 June 2024 was \$1,000,000. Millovate incurred costs of \$3,136,986 during the year, funded by the parent entity income received, available cash holdings and grant funding.

In the financial year ending 30 June 2024, the Company received a grant from the State Government Department of Environment, Science and Innovation to fund the development of an Innovation Precinct Strategy. This funding is specifically allocated for the payment of an approved consultant who has been engaged to work with the Company to produce the strategy document. The total amount of the grant received in 2024 is \$203,905. The grant revenue has been fully offset by the payments to the consultant.

Significant changes in the state of affairs

In June 2024, Moreton Bay City Council, Millovate's sole shareholder, resolved to absorb the operations of the Company into its own operations. This decision represents a significant change in the state of affairs, as it marks the beginning of the process of the Company ceasing to operate and being wound up and deregistered. The transition of operations to Moreton Bay City Council will bring the Company's independent role in carrying out its business activities, to a close.

Matters subsequent to the end of the financial year

Since 30 June 2024, the process to wind up and deregister the Company has commenced. This process will significantly affect:

- a. the Company's operations in future financial years – the Company will cease to operate as a separate legal entity during the financial year ending 30 June 2025;
- b. the results of those operations in future financial years – all activities and associated financial results being absorbed by the Moreton Bay City Council; and
- c. the Company's state of affairs – will culminate in the formal wind up and deregistration of the Company.

Accordingly the financial statements have not been prepared on a going concern basis; rather, these financial statements have been prepared on a non-going concern basis whereby assets are recorded at their net realisable values and liabilities are recorded at their contractual settlement amounts.

Other matters subsequent to 30 June 2024, include the appointment of John Aitken as a Director of the Company on 28 August 2024 and the acceptance of redundancy offers by two employees of the Company.

Likely future developments

The Company will transfer all operational responsibilities and assets to the Moreton Bay City Council. Through to 27 September 2024, the Company is implementing the Transition Plan approved by the Millovate Board and Council CEO. All operations will cease on or before the 27 September 2024 which aligns with the Company AGM. The formal deregistration of the Company with ASIC will subsequently be completed.

Dividends, options and unissued shares

No dividends were paid to Moreton Bay City Council during the year and since the end of the year no dividend has been declared or paid. The Company has no options on issue and there are no unissued ordinary shares.

Operations subject to environmental regulations

At present the Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnities and insurance premiums paid for Directors, Officers and Auditors

Millovate and its directors, officers and employees are named and included under the insurance policies of its parent entity, Moreton Bay City Council. There has been no indemnity or insurance premium paid for the Company's auditor.

Proceedings on behalf of the Group

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

No proceedings have been brought, or intervened in, on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

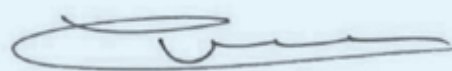
Auditor

Queensland Audit Office ('QAO') are appointed as the Company's auditor in accordance with section 327 of the Corporations Act 2001. There have been no non-audit services provided by the auditor or related entities for the financial year ended 30 June 2024.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of the directors.



Nigel Chamier AM
Chair

Brisbane
Dated this 20th September 2024

Auditor's Independence Declaration

To the Directors of Millovate 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 Millovate Pty Ltd for the financial year ended 30 June 2024, 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.



20 September 2024

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 2024

	Note	2024	2023
		\$	\$
Income			
Revenue from parent	2.1	1,000,000	3,300,000
Interest revenue	2.2	64,795	97,651
Grants, subsidies and contributions	2.3	203,905	-
Total Income		1,268,700	3,397,651
Expenses			
Operating expenses	3.1	(2,450,112)	(3,159,380)
MBCC transition cost	3.2	(686,874)	-
Total Expenses		(3,136,986)	(3,159,380)
Net surplus / (deficit) before income tax		(1,868,286)	238,271
Net surplus / (deficit) for the year		(1,868,286)	238,271
Total comprehensive surplus / (deficit) for the year		(1,868,286)	238,271
Gain/(Loss) attributable to:			
Parent Entity		(1,868,286)	238,271

1. This statement should be read in conjunction with the notes to the financial statements.

2. Due to the Company winding up its operations, these financial statements have been prepared on a non-going concern basis as set out in Note 1A.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024	2023
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	4	1,000,942	2,114,021
Trade and other receivables	5	27,207	28,322
Total Current Assets		1,028,149	2,142,343
Non-Current Assets			
Total Non-Current Assets		-	-
Total Assets		1,028,149	2,142,343
Liabilities			
Current Liabilities			
Trade and other payables	6	912,862	156,084
Total Current Liabilities		912,862	156,084
Non-Current Liabilities			
Employee benefit provisions	7	-	2,686
Total Non-Current Liabilities		-	2,686
Total Liabilities		912,862	158,770
Net Assets		115,287	1,983,573
Equity			
Equity attributable to Parent Entity:			
Share capital	8	100	100
Retained earnings		115,187	1,983,473
Total Equity		115,287	1,983,573

1. This statement should be read in conjunction with the notes to the financial statements.

2. Due to the Company winding up its operations, these financial statements have been prepared on a non-going concern basis as set out in Note 1A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2023	100	1,983,473	1,983,573
Comprehensive income			
Surplus / (deficit) for the year	-	(1,868,286)	(1,868,286)
Total comprehensive (deficit) for the year	-	(1,868,286)	(1,868,286)
Transactions with owners, in their capacity as owners:			
Contributions of equity	-	-	-
Total transactions with owners	-	-	-
Balance at 30 June 2024	100	115,187	115,287
Balance as at 1 July 2022	100	1,745,202	1,745,302
Comprehensive income			
Surplus / (deficit) for the year	-	238,271	238,271
Total comprehensive surplus for the year	-	238,271	238,271
Transactions with owners, in their capacity as owners:			
Contributions of equity	-	-	-
Total transactions with owners	-	-	-
Balance at 30 June 2023	100	1,983,473	1,983,573

1. This statement should be read in conjunction with the notes to the financial statements.

2. Due to the Company winding up its operations, these financial statements have been prepared on a non-going concern basis as set out in Note 1A.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from parent entity & customers		1,001,115	3,492,521
Payments to suppliers and employees		(2,382,894)	(3,575,904)
Interest received		64,795	97,651
Grant revenue		203,905	-
Net cash generated from operating activities	9	(1,113,079)	14,268
Net increase/(decrease) in cash and cash equivalents		(1,113,079)	14,268
Cash and cash equivalents opening balance		2,114,021	2,099,753
Cash and cash equivalents as at 30 June 2024		1,000,942	2,114,021

1. This statement should be read in conjunction with the notes to the financial statements.
2. Due to the Company winding up its operations, these financial statements have been prepared on a non-going concern basis as set out in Note 1A.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1 Information about these financial statements

1.A Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the financial statements of Millovate Pty Ltd (the Company). For the purpose of preparing the financial statements, the Company is a not-for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted. The financial report has been prepared on the basis of historical cost, as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars. The Company is a private company limited by shares and was incorporated on 6 August 2020. The Company is domiciled in Australia and the Company's parent entity is the Moreton Bay City Council.

(a) Non-going concern basis of preparation

As outlined in the Directors' Report, a decision has been made to deregister the Company during the financial year ending 30 June 2025. Accordingly, the financial statements have not been prepared on the going concern basis; rather, these financial statements have been prepared on a non-going concern basis whereby assets are recorded at their net realisable values and liabilities are recorded at their contractual settlement amounts.

Impact of adopting the non going concern basis of preparation on measurement, classification of assets and liabilities and disclosures in the financial report

In June 2024, Moreton Bay City Council, Millovate's sole shareholder, resolved to absorb the operations of the Company into its own operations. Subsequent to the reporting period end, the process to wind up and deregister the Company has commenced. As a result, the financial statements have been prepared under a non-going concern basis that is in conformity with Australian Accounting Standards. Taking into account the decision to wind up, under the non-going concern basis of preparation has resulted in certain liabilities being measured on a contractual settlement basis. As such, the impact on the measurement of the company's assets and liabilities is as follows:

- a. Cash at bank and on hand is recorded at face value
- b. Trade and other receivables, comprising GST, is recorded at net realisable amount, being the amount recoverable from the ATO
- c. Trade creditors, accruals and employee benefit liabilities are recognised at their contractual settlement amounts. Given that the Company expects to settle all liabilities within 12 months of the reporting period as a result of the decision to wind up, these liabilities are classified as current.

The accounting policies for the comparative figures in the financial statements are on a going concern basis and are consistent with those adopted in the 30 June 2023 financial statements. Therefore, the comparative amounts have not been restated as a result of the decision to wind up the business.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 Information about these financial statements (continued)

1.A STATEMENT OF COMPLIANCE

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 financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

1.B New and revised Accounting Standards adopted during the year

The Company adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023. None of the standards had a material impact on reported position, performance and cash flows.

1.C 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.

1.D Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1.

1.E Income tax

The Company is exempt from income tax under section 24AM of the Income Tax Assessment Act 1936 (ITAA 1936) on the basis that the Company is a State/Territory Body (STB), by virtue of the fact that the Company's sole shareholder is the Moreton Bay City Council.

1.F Goods and services tax and fringe benefits tax

The Company is subject to Goods and Services Tax (GST) and Fringe Benefits Tax (FBT).

Revenues, expenses and assets are recognised net of the amount of 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 Revenue

The Company's revenues for the reporting period consist of the following:

2.1 Revenue from parent

Income derived from the parent entity, in order to meet costs directly attributable to the company's delivery of the development of the Mill Priority Development Area on the behalf of the parent entity.

	2024 \$	2023 \$
Revenue from parent entity	1,000,000	3,300,000
	<u>1,000,000</u>	<u>3,300,000</u>

2.2 Interest revenue

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

	2024 \$	2023 \$
Interest received from financial institutions	64,795	97,651
	<u>64,795</u>	<u>97,651</u>

2.3 Grants, subsidies and contributions

	2024 \$	2023 \$
Funding received for Innovation Precinct Strategy	203,905	-
	<u>203,905</u>	<u>-</u>

The Company receives funding from certain grant programs where income is recognised when received as there are no identifiable performance obligations under the related agreements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3 Expenses

The Company's expenses for the reporting period consist of the following:

3.1 Operating expenses

Staff costs are recorded when the service has been provided by the staff. Expenses are recorded on an accruals basis as the Company receives the goods or services.

	2024	2023
	\$	\$
Staff costs	718,138	1,407,576
Board members' costs	290,936	270,001
Contractors	376,038	167,598
Consultants*	994,583	1,240,796
Labour hire services	-	308
Subscriptions and Memberships	17,164	24,145
General costs	25,222	10,455
Audit of annual financial statements by the Auditor-General of Queensland	28,031	38,500
	2,450,112	3,159,379

The costs above were incurred for the purpose of attracting private investment and economic development opportunities and developing The Mill at Moreton Bay on behalf of Moreton Bay City Council.

**Payments for the reporting period represent:*

	2024	2023
	\$	\$
Innovation Precinct Strategy Consultant	203,905	-
Commercial Transaction Management	88,956	259,291
Commercial Analyst	141,369	73,193
Corporate Services	73,459	39,880
Independent Verifier	66,808	-
Infrastructure Engineering	-	66,570
Legal Advice - Commercial Transactions	6,000	11,309
Marketing	45,600	39,897
Project Management	231,593	305,696
Strategic Planning	-	20,866
Urban Planning	136,893	424,094
	994,583	1,240,796

3.2 MBCC transition cost

As of 30 June 2024, the Company has recognised and accrued all anticipated costs associated with its planned winding-up, which is scheduled for completion by 27 September 2024. This provision covers all future expenses from 1 July 2024 up to the date of winding-up, including but not limited to redundancy payments, director remuneration, supplier payments, employee salaries, and accrued annual leave.

	2024
	\$
Staff costs	164,421
Board members' costs	39,003
Contractors & consultants costs	477,250
Company secretary fees	6,200
	686,874

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with the banks and other short-term highly liquid investments with original maturities of three months or less, and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

	2024 \$	2023 \$
Cash at bank and on hand	1,000,942	2,114,021
Cash and cash equivalents in the statement of cash flows	<u>1,000,942</u>	<u>2,114,021</u>

5 Trade and other receivables

Trade and other receivables include Goods and Services Tax (GST), measured at the amounts recoverable from the Australian Taxation Office (ATO).

	2024 \$	2023 \$
GST receivables	27,207	28,322
	<u>27,207</u>	<u>28,322</u>

6 Trade and other payables

Trade creditors represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. Amounts owing are unsecured and are generally settled on 30 days terms.

Liabilities are recognised for employee benefits such as annual leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Company does not have an unconditional right to defer settlement of annual leave beyond twelve months after the reporting date, all annual leave is classified as current.

Trade and other payables recognised consist of the following:

	2024 \$	2023 \$
Trade creditors and accruals	197,274	136,125
Annual leave	28,715	19,959
MBCC transition cost (refer note 3.2)	686,874	-
	<u>912,862</u>	<u>156,084</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

7 Employee benefit provisions

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Company's employment or other associated employment which would result in the Company being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website. Long service leave is treated as current where the Company does not have an unconditional right to defer settlement beyond twelve months. All other long service leave is treated as non-current.

	2024 \$	2023 \$
Long service leave	-	2,686
	<u>-</u>	<u>2,686</u>

8 Share Capital

	2024 \$	2023 \$
Ordinary Shares in issue as at commencement of reporting	100	100
On issue at 30 June 2024 - fully paid	<u>100</u>	<u>100</u>

Ordinary shares

The sole holder of these shares is entitled to dividends as declared from time to time and are entitled to one vote at general meetings of the Company.

Issue of ordinary shares

In August 2020, the Company approved the issue of 100 \$1 ordinary shares to the Moreton Bay City Council.

9 Reconciliation of cash flow from operating activities

	2024 \$	2023 \$
Cash flows from operating activities		
Net surplus / (deficit) for the year	(1,868,286)	238,271
<i>Adjustments for:</i>		
Operating surplus before changes in working capital and provisions	<u>(1,868,286)</u>	<u>238,271</u>
Change in trade and other receivables	1,115	192,521
Change in trade and other payables	756,778	(413,693)
Change in provisions and employee benefits	(2,686)	(2,831)
Net cash generated from operating activities	<u>(1,113,079)</u>	<u>14,268</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

10 Related party transactions

Related Parties

The Company's main related parties are as follows:

a Entities exercising control over the Company

The parent entity, which exercises control over the Company, is the Moreton Bay City Council. Moreton Bay City Council and its controlled entities including this Company form a group and Unitywater is an associate of the Council and is therefore also a related party.

b Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including the CEO and any Director of the Company is considered key management personnel. Key management personnel during the period have been identified in the Directors' Report.

Details of compensation

Total compensation for key management personnel of the Company is set out below:

	2024 \$	2023 \$
Short-term benefits	585,991	584,370
Post-employment benefits	28,735	44,719
Other long-term benefits	-	4,110
Termination benefits	-	151,089
	614,726	784,288

c Other related parties

Other related parties include close family members of key management personnel and entities controlled or jointly controlled by those key management personnel, individually or collectively with their close family members. No transactions with this type of entity have occurred in the period.

d Transactions with related parties

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 related parties:

	2024 \$	2023 \$
Revenue		
Parent entity - Funding of operation	1,000,000	3,300,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

11 Subsequent Events

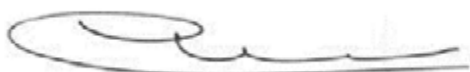
As a result of the Moreton Bay City Council resolution to absorb the operations of the Company into its own operations, and the decision for the Company to cease to operate and to be wound up and deregistered, subsequent to the financial year end, the three employees of the Company were provided with options for employment with Moreton Bay City Council or redundancy. One employee accepted an employment offer and two employees accepted the redundancy offer. At the date of deregistration, the Company will transfer all operational responsibilities and any remaining assets to the Moreton Bay City Council.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2024

In the opinion of the Directors of Millovate Pty Ltd (the Company):

- a. the financial statements and notes, set out on pages 3 to 16 are in accordance with the *Corporations Act 2001* , including:
 - i. complying with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulation 2001* ;
 - ii. giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - iii. as a result of winding-up operations, the financial statements have been prepared on a non-going concern basis.
- 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:



Nigel Chamier AM
Chair

Date: 20th September 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Millovate Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Millovate Pty Ltd.

The financial report comprises the statement of financial position as at 30 June 2024, 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, notes to the financial statements including material accounting policy information, and the directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards.

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 (including Independence Standards)* (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

I draw attention to Note 1.A, Basis of Preparation, which explains that a decision has been made to deregister the company. Accordingly, the financial statements have been prepared on a non-going concern basis as described in Note 1.A. My opinion is not modified in respect of this matter.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

The other information comprises the information contained in the director's report, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.



David Adams
as delegate of the Auditor-General

24 September 2024

Queensland Audit Office
Brisbane



The Mill at Moreton Bay

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