

ANNUAL REPORT 2019-20





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CEO'S REPORT 2020



Our company has undergone significant positive change this year and is set up for a strong future.

2019/20 has been a year of change and new direction for SQCT.

We have set a new direction of being a best in class DMO... Destination Management Organisation. To achieve this we needed to change our mindset of being a traditional membership based organisation and provide answers to the following questions for us and our stakeholders.

1. How many people are coming to region...where are they coming from and where are they going? and how do we attract more people to region, get them to stay longer and spend more money?
2. What are the key accommodation metrics for our region - do we have enough rooms and what are the gaps?
3. What is the real economic impact from our activities within region and how can we monitor our campaigns and assist events and industry?

To answer the above we use best in class location device data to build behavioural profiles of the visitors to our region. With this information we then build content to attract that market and with the use of Artificial Intelligence we can target our audience better. That allows us to be very specific and targeted for the different regions we represent and the different sectors we take to market.

We have built dashboards for each of our Council members that allow them to access the data at their desire. This is still a work in progress and is evolving all the time with the feedback we receive from our LGA's.

Additionally, we have built a portal for Industry in which we have distilled the data down into a monthly report. Inside the portal users can see podcasts on

many varied topics, communicate with other like minded souls, do training modules, access image and video libraries and other useful information. The portal is designed as a tool to assist businesses and give them good information.

In September we launched a new website built on the latest particle swarm optimisation SEO technique (In computational science, particle swarm optimization is a computational method that optimizes a problem by iteratively trying to improve a candidate solution with regard to a given measure of quality.) We have built the site on this technology to drive leads to our industry. It is best in class and will benefit all our industry.

The year has also brought change to our operational staff and we welcome Louise Venz and Lynnene Hick to our staff and farewell Clare Parry, Jane Hodges, Monica Groenert and Laura McGrath.

As noted in our Chairs report from Jane we have also undergone constitutional change which will result in a new board structure.

Our company has undergone significant positive change this year and is set up for a strong future.

I thank all the board members past and present this year for your input, guidance and vision that has overseen this change. I also extend a big thank you to our retiring chair Jane on her guiding hand over a period of many years that saw significant change and upheaval to the organisation

Peter Homan
Chief Executive Officer



CHAIR'S REPORT 2020



In spite of the tremendous impact that COVID 19 has had on the Australian Tourism industry, our region is currently booming.

Another big year for SQCT draws to a close.

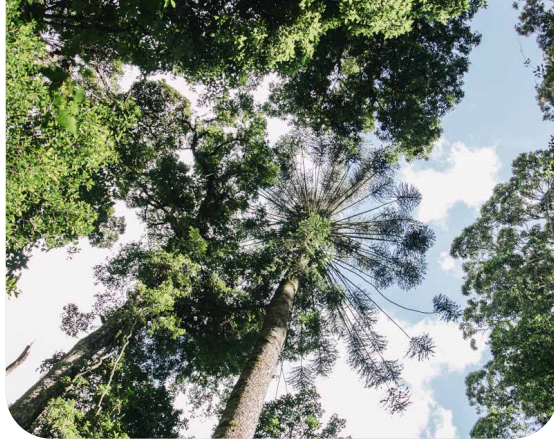
Whilst last year our focus was on our new CEO and membership structure, this year the COVID 19 global pandemic took up much of our focus. In spite of this we managed to finalise our new member portal, implement constitutional changes to facilitate a more streamlined operation and enact a change to our governance with a new board to be in place at the AGM on 30 November.

The new member portal puts SQCT at the cutting edge of destination tourism service provision allowing our members access to real time data and it provides SQCT with a mechanism to push offers and information to a targeted audience, all designed to grow the business of our members. Those who have signed up have already noticed the increased traffic to their sites. In addition, the webinars and masterclass blogs on the site are well subscribed and provide important capacity building to businesses in our region. We are the envy of our fellow RTOs with this portal and Tourism Events Queensland is watching carefully to see how our model might be rolled out more broadly across the state. So in summary, whilst it's been a while coming, our new approach to membership and service was worth waiting for.

This year clearly shows that no matter how well prepared we believe we are, disruption and change can still surprise us. I noted in my report last year, that

remaining agile and responsive to change is what distinguishes the successful from the extinct. The board and your team at SQCT work very hard to keep abreast and ahead of the changes in technology, data and tourist behaviour to ensure that we are maximising the opportunities for business and growth for our industry every day. In spite of the tremendous impact that COVID 19 has had on the Australian Tourism industry, our region is currently booming. We have capitalised on the desire of the short stay drive market from Brisbane and surrounds for a safe, country escape. The challenge for our team, is to keep this momentum through our traditionally quiet summer season and some much needed rain will certainly assist us in this task.

SQCT has benefitted from state government and federal government assistance during the COVID 19 shutdowns with grants and recovery funds and the team has already been putting that money to good use. The success of our efforts in the region has not escaped the attention of neighbouring local councils and this year we welcome Lockyer Valley to our group of partner councils. There are some great synergies with farm tourism and other exciting ventures from this region with SQCT and our gateway to Brisbane is also now much closer. This year we also welcome back Goondiwindi Shire Council



and the South Burnett Shire Council is considering re-partnering with us.

The final piece in our restructure from last year was a change to our governance model and this work is also now complete. Our consultation with industry, local government and other key stakeholders and a special general meeting in June, supported motion for a change to the membership model and for the creation of a smaller skills based board. The changes to the board structure will allow the directors to focus on the strategic direction of the organisation with a clear separation from the operational activities.

To this end a board of seven directors will be finalised at the AGM this year. The directors will represent a range of strategic skills such as: Marketing; Technology; Finance; Legal and General Business. Three of our existing board directors will be carried forward into this new structure and three new directors will be sought from an open call process. The final composition of board directors will be determined by an independent panel of governance experts that will be ratified at the AGM in November. In addition to the skills based directors, an additional director will be nominated and elected by our local government partners to represent the interests of local government. This board refresh, along with the new membership model and portal herald an exciting change of focus and opportunities for increased growth for the region.

In keeping with this desire for a fresh start, this will be my last year as a director and as chair of SQCT and thus my last chairman's report. After seven years it is time to have a new steward to take the organisation to its next stage. I have thoroughly enjoyed my time on the board and working with my fellow board members and

the team at SQCT. Even through the difficult periods, the support for my leadership and for the organisation has been both humbling and gratifying and I thank all of those who I have worked closely with over the years.

In closing, I thank my fellow directors for their dedication and support this year and for their continued belief in the organisation and the team who deliver the outcomes for the region. As you know directors are volunteers and we appreciate the time and commitment they invest in the governance of SQCT to ensure that it runs smoothly. Peter, and his small but dedicated team have done a great job, yet again, with limited resources and I am always impressed at their cheerful and can-do attitude and at the great results they achieve year on year. We are very lucky to have them working for us. In closing I wish everyone a peaceful, and prosperous, Christmas season and hope that the New Year is not quite so full of challenges for our industry and our region. My wish is for all of you is for a successful and uneventful year for 2021.

Professor Jane Summers
Chair



MARKETING OVERVIEW

SQCT is focused on promoting the whole of Southern Queensland Country, including our sub-regions and key destination experiences. Our aim is to build awareness and preference for the destination in order to grow our visitor numbers overall and overnight visitor expenditure.

WEBSITE

As the call-to-action for all marketing activity, the SQC website generated the following results over the 2019-20 year.



Sessions
(total visitors)

398,395



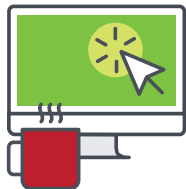
Users
(unique visitors)

325,927



Page views

837,150



**Pages/
sessions**

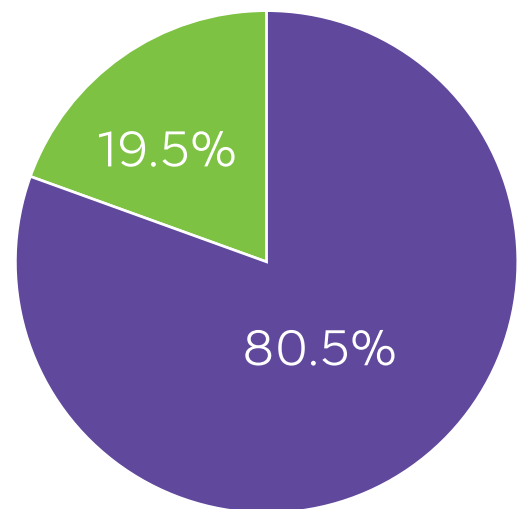
2.1



**Average time
on site (minutes)**

1:25

■ New Visitor ■ Returning Visitor



SOCIAL MEDIA CHANNELS

SQCT uses Facebook and Instagram as our key social media channels in digital marketing activities. The channels are used to develop relationships with our audience and enhance the awareness of Southern Queensland Country key experiences.



FACEBOOK

Beginning of the
Financial year:

38,691

End of the
Financial year:

57,627



INSTAGRAM

Beginning of the
Financial year:

13,298

End of the
Financial year:

15,022



FINANCIALS 2019/20

Southern Queensland Country Tourism Ltd. ABN 56 160 194 516

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2020.

DIRECTORS

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

Dr Jane Summers 1.11.12 to current (Chair)

Mr Phil Stonestreet 19.11.15 to current

Cr Geoff McDonald 1.11.12 to current (Vice Chair)

Mr Chris Parsons 16.11.17 to current

Mr David James 24.5.19 to current

Cr Tracy Dobie 22.10.18 to April 2020

Cr Donna Ashurst 28.04.16 to April 2020

Cr Robyn Fuhrmeister 28.04.16 to current

Mr Steve Burns 22.10.18 to current

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was to promote tourism within this Regional Tourism Organisation (RTO) region.

No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS

The profit (loss) of the company for the financial year amounted to \$99,044.57.

REVIEW OF OPERATIONS

Participation by all marketing partners in the 2019-2020 year, including Tourism & Events Queensland, local government and industry partners, met the obligations and objectives of the Strategic Business and Operational Plan. Successful marketing campaigns were delivered as per Business Plan and partnerships remained strong and engaged. The organisation continues to be in a strong financial position as evidenced by the financial reporting contained herein.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the 2019-2020 year.

AFTER BALANCE DATE EVENTS

Since 30 June 2020 Southern Queensland Country Tourism Ltd (SQCT) has continued to operate and deliver as per Operational Plan and KP Is within State and Local Government Partnership Agreements.

FUTURE FOCUS

Contributing to the State Government's 2020 target of doubling annual overnight visitor expenditure to \$30B. The SQCT target was \$1.2B.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.



INFORMATION ON DIRECTORS AS AT 30 JUNE 2020

JANE SUMMERS

Professor Jane Summers
 Faculty of Business and Law
 School of Management and Marketing, USQ
 Transition Advisory Board Nov 2011-Oct 2012
 SQCT Board member 1.11.12 - current

PHIL STONESTREET

Director, Stonestreeets Coaches 1993 to current
 Board of Twba Chamber of Commerce 2010-2015
 Certificate of Transport Management, UQ 1997
 SQCT Board member 17.11.15 - current

STEVE BURNS

Owner/Operator of Nindigully Pub since Aug 2002
 Owner/Operator of PJ Burns Builders, Sunshine
 and Central Coasts since 1978
 TGWT & TGWSBT Board Member 2007-2012
 SQCT Board Member 2012 to 2014
 SQCT Board Member 22.10.18 to current

GEOFF MCDONALD

Toowoomba Regional Councillor - current
 TGWSBT Board member June 2012 - Sept 2012
 SQCT Board member 1.11.12 - current

ROBYN FUHRMEISTER

Councillor, Balonne Shire Council - tourism portfolio
 20 years Local Government experience
 SQCT Board member 28.4.16 - current

CHRIS PARSONS

Channel Seven presenter/producer 2005- present
 Director, The Mind Tank
 SQCT Board member 16.11.17 - current

DAVID JAMES

Tangalooma Resort - Director - current
 TDD Board member - May 2017 - June 2019
 SQCT Board member 24.5.19 - current



MEETINGS OF DIRECTORS:

This financial year seven meetings of SQCT Directors were held. Attendances by each director were:

DIRECTORS' MEETINGS:	Number Eligible to Attend	Number Attended
Summers, Jane	13	13
McDonald, Geoff	13	12
Stonestreet, Phil	13	10
Ashurst, Donna	8	5
Fuhrmeister, Robyn	13	10
Parsons, Chris	13	8
Dobie, Tracy	8	3
Burns, Steve	13	5
James, David	13	8

INDEMNIFYING OFFICERS OR AUDITOR

Since the end of the previous financial year the company has paid insurance premiums in respect of directors and officers liability and legal expenses' insurance contracts for current and former directors of the company as follows:

- > The premium totalled \$2433.00 ex gst for the period 14 May 2020 to 14 May 2021.
- > The insurance premium covers all directors, office bearers and employees against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of representative of the company, other than conduct involving a wilful breach of duty in relation to the company.

The company has not otherwise indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF THE ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 10 of the financial statements.

Signed in accordance with a resolution of the Board of Directors:

Professor Jane Summers,
DIRECTOR (CHAIR)

Dated this 17th day of September 2020

Mr Phil Stonestreet,
SECRETARY

Dated this 17th day of September 2020



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

To Southern Queensland Country Tourism Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Whitehouse Audit Pty Ltd

A handwritten signature in black ink, which appears to read 'Eamon J Lynch', is written over a horizontal dotted line.

Eamon J Lynch CPA
Registered Company Auditor 452639

Dated this 1st day of October 2020
TOOWOOMBA

STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2020

	NOTES	2020 \$	2019 \$
REVENUE & OTHER INCOME			
Revenues from ordinary activities	2	1,057,868.83	991,071.97
Investment Income		1,642.03	2,458.04
Total Revenue & Other Income		1,059,510.86	993,530.01
EXPENDITURE			
Employee benefits expense		455,162.39	472,976.29
Depreciation and amortisation expenses		14,161.25	10,794.26
Other expenses from ordinary activities	2	491,142.65	517,045.70
Total Expenditure		960,466.29	1,000,816.25
Profit (Loss) before Income Tax		99,044.57	(7,286.24)
INCOME TAX EXPENSE			
Profit (Loss) for the year		99,044.57	(7,286.24)
OTHER COMPREHENSIVE INCOME			
Total Comprehensive income for the year		99,044.57	(7,286.24)
Profit (Loss) attributable to members of the entity		99,044.57	(7,286.24)
Total comprehensive income attributable to members of the entity		99,044.57	(7,286.24)

STATEMENT OF FINANCIAL POSITION

FOR YEAR ENDED 30 JUNE 2020

	NOTES	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	508,518.05	176,204.57
Investments	4	-	107,865.35
Other Cash Equivalents	4&17	-	40,269.23
Receivables	5	11,684.91	21,575.93
Other Assets	6	3,756.67	12,627.88
Total Current Assets		523,959.63	358,542.96
Non-Current Assets			
Property, Plant and Equipment	7	62,578.44	37,421.39
Total Non-Current Assets		62,578.44	37,421.39
TOTAL ASSETS		586,538.07	395,964.35
LIABILITIES			
Current Liabilities			
Creditors and Accruals	8	80,681.73	86,649.73
Provisions	9	-	1,897.62
Other Liabilities	10	162,764.00	23,100.00
Accounts held in trust liabilities	10&17	-	40,269.23
Total Current Liabilities		243,445.73	151,916.58
TOTAL LIABILITIES		243,445.73	151,916.58
NET ASSETS		343,092.34	244,047.77
EQUITY			
Retained Profits		343,092.34	244,047.77
TOTAL EQUITY		343,092.34	244,047.77

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2020

	RETAINED EARNINGS	TOTAL
Balance at 30 June 2016	258,178.55	258,178.55
Profit attributable to members of the entity	4,430.18	4,430.18
Balance at 30 June 2017	262,608.73	262,608.73
Profit attributable to members of the entity	(11,274.72)	(11,274.72)
Balance at 30 June 2018	251,334.01	251,334.01
Profit attributable to members of the entity	(7,286.24)	(7,286.24)
Balance at 30 June 2019	244,047.77	244,047.77
Profit attributable to members of the entity	99,044.57	99,044.57
Balance at 30 June 2020	343,092.34	343,092.34

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 30 JUNE 2020

	NOTES	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,317,526.36	1,211,683.40
Payments to Suppliers		(1,066,404.74)	(1,135,226.10)
Interest Received		2,028.55	2,502.55
Receipts from accounts held in Trust	10	(40,269.23)	4,471.67
Net Cash (used in)/generated from Operating Activities		212,880.94	83,431.52
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		39,545.00	
Payments for Property, Plant and Equipment		(68,247.04)	(3,080.00)
Net Cash generated from/(used in) Investing Activities		(28,702.04)	(3,080.00)
Net (Decrease)/Increase in Cash Held		184,178.90	80,351.5
Cash at Beginning of Year		324,339.15	243,987.63
Cash at End of Year	4	508,518.05	324,339.15

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

NOTE 1.

Statement of Significant Accounting Policies

BASIS OF PREPARATION

Southern Queensland Country Tourism Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on September 2020 by the directors of the company.

ACCOUNTING POLICIES

a) Income Tax

The directors have determined that the organisation is exempt from Income Tax under the *Income Tax Assessment Act 97, Div 50*, and accordingly no taxation impacts have been recorded in the financial statements.

b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

PLANT AND EQUIPMENT

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

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

DEPRECIATION

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

	DEPRECIATION RATE
Furniture & Fittings	40%
Motor Vehicles	20%
Office Equipment	40-66.7%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are

recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c) Financial Instruments

INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Financial instruments are subsequently measured at fair value (refer to Note 1(p)), amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

TRADE AND OTHER RECEIVABLES

Trade Receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off when identified.

TERM DEPOSITS

The company records Term Deposits at the original cost basis. These investments are generally held for between 3 and 6 months. The carrying amounts of these investments are reviewed regularly to ensure they are not in excess of the recoverable amount of the investments.

IMPAIRMENT

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

DERECOGNITION

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

d) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

f) Employee Benefits

SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's annual leave obligations are considered to be short-term benefits as they typically are settled wholly within 12 months, and are recognised as part of current accounts payable and other payables in the statement of financial position.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

RETIREMENT BENEFIT OBLIGATIONS

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amounts of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

i) Marketing Partner Income

Marketing Partner income is received at varying times during the financial period. At balance date that portion of membership income attributable to future periods is not brought to account as income. The amount which is deferred to future periods is included in current liabilities as Income Received in Advance.

j) Goods and Services Tax (GST)

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). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

k) Unexpended Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as expended grants on the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants, where the project has not been completed.

l) Contributions

The company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

m) Comparatives Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

n) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

o) Economic Dependence

Southern Queensland Country Tourism Limited is dependent on Tourism & Events Queensland, the Queensland State Government and Local Councils for the majority of its income revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe that this support will not continue.

p) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

NOTE 2. Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

(a) Revenue and Net Gains

<i>Operating Revenue</i>		
Council Funding	408,710.00	399,344.00
Marketing Partners (Membership)	58,348.66	59,826.04
Operating Revenue	117,192.45	69,001.93
Tourism & Events Qld/State Gov't	574,972.73	475,000.00
Other Projects	12,644.99	1,900.00
	<u>1,171,868.83</u>	<u>1,005,071.97</u>
<i>Non-Operating Revenue</i>		
Unexpended Projects	(114,000.00)	(14,000.00)
	<u>(114,000.00)</u>	<u>(14,000.00)</u>
Total Revenue	<u>1,057,868.83</u>	<u>991,071.97</u>

(b) Other Expenses from Ordinary Activities

Insurance	4,795.32	4,572.30
Motor Vehicle Expenses	11,413.08	10,354.11
Operating Expenses	76,491.23	76,043.89
Postage	831.30	2,879.16
Printing and Stationery	4,202.77	3,613.92
Repairs and Maintenance	8,074.64	7,902.79
Telephone	10,416.51	10,895.04
Other Projects	373,220.71	399,820.40
Workcover	1,697.09	964.09
	<u>491,142.65</u>	<u>517,045.70</u>

NOTE 3. Auditors' Remuneration

Remuneration of the Auditor & Accountant - auditing or reviewing the financial report	9,210.00	8,615.00
	<u>9,210.00</u>	<u>8,615.00</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

NOTE 4. Cash and Cash Equivalents

CURRENT

Cash Management Account - SQCT	34,920.69	82,246.61
Cash at Bank - Online Saver 2665-86811	473,397.36	93,041.16
Cash Float and Undeposited Funds	200.00	200.00
Overseas Travel Cards & Petty Cash	-	716.80
	508,518.05	176,204.57

Short-term investments

CURRENT

Term Deposit ANZ ****-33561	-	107,865.35
	-	107,865.35

Bank Accounts held in trust for other entities:

Cash at Bank - Toowoomba Conferences	-	40,269.23
	-	40,269.23
Total Cash & Cash Equivalents	508,518.05	324,339.15

Investments are Short-Term Bank Deposits and are invested for varying periods between one month and six months depending upon the immediate cash requirements of the company, and earn interest at the respective short-term rates (currently between 2% and 3%).

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash & Cash Equivalents	508,518.05	176,204.57
Investments	-	107,865.35
Other Cash Equivalents	-	40,269.23
	508,518.05	324,339.15

NOTE 5. Receivables

CURRENT

GST Receivable	11,684.91	18,377.00
Interest Receivable	-	386.52
Sundry Debtors	-	2,812.41
	11,684.91	21,575.93

The directors believe that all amounts are fully recoverable, and as such no provision for doubtful debts has been made to reflect asset impairment.

NOTE 6. Other Assets

CURRENT

Prepaid Insurance and Projects	3,756.67	12,627.88
	3,756.67	12,627.88

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 7. Property, Plant and Equipment		
Furniture & Fittings - at Cost	1,959.26	2,306.24
Less: Accumulated Depreciation	(1,959.26)	(2,306.24)
	-	-
Motor Vehicles - at Cost	57,235.68	60,177.78
Less: Accumulated Depreciation	(4,769.65)	(27,437.36)
	52,466.03	32,740.42
Office Equipment - at Cost	39,582.21	37,818.64
Less: Accumulated Depreciation	(29,469.80)	(33,137.67)
	10,112.41	4,680.97
Total Property, Plant and Equipment	62,578.44	37,421.39

There were no apparent indicators of impairment in relation to the property, plant and equipment.

a) Movements in Carrying Amounts

	FURNITURE & FITTINGS	MOTOR VEHICLES	OFFICE EQUIPMENT
Balance at the Beginning of the year	-	32,740.42	4,680.97
- additions	1,959.26	57,235.68	11,011.36
- disposals	-	(28,928.73)	-
- depreciation expense	(1,959.26)	(8,581.34)	(5,579.92)
Carrying amount at the end of the year	-	52,466.03	10,112.41

NOTE 8. Creditors and Accruals

CURRENT

Accruals VISA	26,743.68	8,709.63
Electronic Clearing	7,539.87	1,651.00
Creditors	-	22,339.66
Accrued Wages	4,981.07	1,643.28
Superannuation Payable	9,103.38	15,844.34
GST Payable	7,352.24	2,832.85
PAYG Payable	16,916.43	11,478.71
Provision for Annual Leave	8,045.06	22,150.26
	80,681.73	86,649.73

Creditors are non-interest bearing and are normally settled on 30 day terms. The net of GST Payable and Receivable is remitted to the Australian Taxation Office on a quarterly basis and PAYG monthly.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

NOTE 9. Provisions

Opening Balance at beginning of year	1,897.62	800.28
Additional Provisions		3,446.25
Amounts Used	(1,897.62)	(2,348.91)
Balance at end of year	-	1,897.62
Total Provisions	-	1,897.62]

Days in Lieu

The Provision for Days in Lieu are recorded at the expected cash outflow required to meet the liability including any other payments required to satisfy the liability such as leave loading.

NOTE 10. Other Liabilities

CURRENT

Memberships in Advance	9,366.00	9,100.00
Unexpended Grants	114,000.00	14,000.00
ATO Business Assistance	39,398.00	
	162,764.00	23,100.00

Bank Accounts held in trust for other entities:

Cash at Bank - Toowoomba Conferences	-	40,269.23
	-	40,269.23

Total Other Liabilities

162,764.00 **63,369.23**

NOTE 11. Capital & Leasing Commitments

a) Finance Lease & Hire Purchase Commitments

There are no Finance Lease or Hire Purchase commitments.

b) Operating Lease Commitments

There are no Operating Lease commitments

c) Capital Expenditure Commitments

There are no known material commitments at balance date.

NOTE 12. Equity and Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member/marketing partner is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June 2019 the number of marketing partners was 109 including Tourism Supporters and Associations. By definition in the Constitution, all marketing partners are deemed to be members.

NOTE 13. Contingent Assets & Contingent Liabilities

There are no known material contingent assets or liabilities at balance date.

NOTE 14. Related Party Transactions

All directors hold their position in an honorary capacity. Accordingly, no directors were paid remuneration. No retirement and superannuation benefits were paid to directors and senior executives on retirement from office.

There were no other material transactions entered into with any other related party.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

NOTE 15. Events after Balance Sheet Date

There are no known events subsequent to the reporting date that could materially affect the financial position and performance of the entity.

NOTE 16. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	NOTES	2020 \$	2019 \$
FINANCIAL ASSETS			
Cash and cash equivalents	4	508,518.05	324,339.15
Accounts receivable and other debtors	5	11,684.91	21,575.93
		<u>520,202.96</u>	<u>345,915.08</u>
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
accounts payable and other payables	8	80,681.73	86,649.73
		<u>80,681.73</u>	<u>86,649.73</u>

NOTE 17. Treasurer Services

The company acts as treasurer service for a number of entities under the instruction and oversight of each entity's relevant committee and governing bodies. As part of this service the company holds a number of bank accounts in trust for these entities. The company recognises these deposit accounts and corresponding liability in the financial statements. These funds have no impact on the operations or viability of the company.

The company holds the following bank accounts in Trust for other entities:

SQCT - Toowoomba Conferences	-	40,269.23
	-	<u>40,269.23</u>

NOTE 18. Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its tourism programs and that returns from investments are maximised. The Board ensures that the overall risk management strategy is in line with this objective.

Management operates under the policies approved by the Board of Directors. Risk Management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets. Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to maintain no long term borrowings. There currently are no long term borrowings and as such no gearing ratio.

NOTE 19. Corporation Details

The registered office and principal place of business is:

Southern Queensland Country Tourism Limited
Level 1 James Cook Centre
147 Herries Street
TOOWOOMBA QLD 4350



DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 21, are in accordance with the Corporations Act 2001:
 - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b) give a true and fair view of the financial position as at 30 June 2020 and of the performance of the entity for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Professor Jane Summers,
DIRECTOR (CHAIR)

Dated this 17th day of September 2020

Mr Phil Stonestreet,
SECRETARY

Dated this 17th day of September 2020

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SOUTHERN QUEENSLAND COUNTRY TOURISM LIMITED

REPORT ON THE FINANCIAL REPORT

OPINION

We have audited the financial report of Southern Queensland Country Tourism Ltd (the company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Southern Queensland Country Tourism Ltd. 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 2020 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 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.

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 - Reduced Disclosure Requirements 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 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 to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 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, among 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."

Whitehouse Audit Pty Ltd



Eamon J Lynch CPA
Registered Company Auditor 452639

Dated this 17th day of September 2020

TOOWOOMBA



THANKS!

To all our marketing partners thank you for your support throughout 2019-2020



#sqcountry

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