

ANNUAL REPORT 2019-2020



Redland Investment Corporation
respectfully acknowledge the
Traditional Custodians of the lands
and seas where we work,
and extends respect to Elders,
past and present.

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INTRODUCTION



INDEPENDENT

RIC is an independent Australian Proprietary Company, Limited by shares, operating under the Corporations Act 2001 and is wholly owned by Redland City Council.



ENRICHING OUR REDLANDS COAST COMMUNITY

RIC is not only financially sustainable, but also offers significant social and community capital that will maximise our contribution.



GROWING OUR REDLANDS COAST ECONOMY

RIC is focused on delivering economic development opportunities that include:

- purchasing, selling, managing and leasing property
- managing environmental and development approvals
- developing land independently or with partners
- delivering financial benefits back to Council
- executing strategic land purchases and
- providing professional commercial services and negotiations for progressing the Priority Development Areas (PDA).

The **Redland Investment Corporation Group (RIC Group)**

specialises in negotiating and managing/delivering complex, mixed-use developments, both independently and including public – private partnerships, commercial property management and construction of boutique residential developments, optimising the development potential of key parcels of land, including community space.

RIC’s objectives align to support key outcomes within Council’s Corporate Plan 2018-2023; and will drive economic and infrastructure development in the city through the delivery of major city building and place making projects, property development, land sales and investments.

RIC is committed to working commercially and sustainably in its conduct, efficiently delivering all facets of its business to fulfil the broader Redlands Coast community’s social, economic and environmental needs.



Toondah Harbour PDA. Artist impression for indicative purposes only, provided by Walker Corporation.

Objectives

RIC’s key objective is to be commercially successful in the conduct of its activities and efficient in the delivery of all facets of its business.

Vision

RIC strives to be an innovative, responsible and financially sustainable company that achieves its business objectives and creates value for the Redlands Coast community and Council.

Mission



GROW

the economy through facilitating development and business opportunities, while supporting local jobs.



LEAD

the Redlands Coast development industry by delivering high quality, catalyst projects that consider the environment, community and best practice industry principles.



BALANCE

the long-term impacts of investment decisions with financial returns and consideration of the community's broader needs, including social and environmental aspects.



MANAGE

and achieve Council outcomes.



NEGOTIATE

nominated commercial negotiations on behalf of Council and provide a better financial return for the Redlands Coast community.



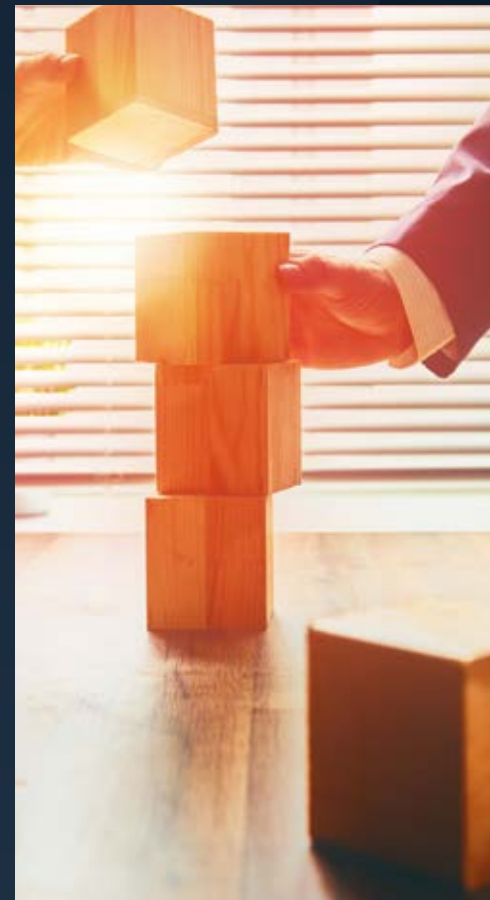
FOCUS

on delivering place making and city building projects providing economic growth and community benefit for the Redlands Coast.



BUILD

profitable, successful projects and respected relationships with business groups and the Redlands Coast community.



VALUES AND BEHAVIOURS



- ✦ **Safety first** – our first priority is our own safety and the safety of others.
- ✦ **Ethical and responsible decision making** – we honour our commitments and are open, honest and transparent.
- ✦ **Safeguard perpetual financial success** – we maintain profitability, control costs and pursue innovation.
- ✦ **Earn the trust and respect of the customers and the community** – we are customer service-oriented and take care to understand Council’s and the Redlands Coast community’s needs.
- ✦ **Promote a positive workplace** – we encourage engagement, creativity and acknowledge achievements.

RIC Group Structure



MESSAGE FROM THE CEO

Welcome to the 2019-2020 Redland Investment Corporation Annual Report.

RIC was established by Redland City Council (Council) in 2014 to identify alternate revenue sources, new business opportunities and realise value for Council and the Redlands Coast community.

The Redland Investment Corporation Group (RIC Group) specialises in negotiating, managing and delivering complex, mixed-use developments both independently and including public – private partnerships, commercial property management and construction of boutique residential developments, optimising the development potential of key parcels of land, including community space.

Upon inception, RIC's original intention was to develop Council's surplus land. Five years on, our main focus is now more closely aligned with Council's city building and place making projects to strengthen the economy, stimulate investment and benefit the Redlands Coast Community.

Our major city building and place making projects are:

- Capalaba Town Centre Revitalisation Project
- Weinam Creek Priority Development Area (PDA) Redevelopment
 - o RIC as Master Developer
- Toondah Harbour PDA Redevelopment
 - o Joint Venture (JV) between Council, Economic Development Queensland (State Government) and Development Partner – Walker Corporation
 - o RIC as JV Manager and Administrator.

This year we are proud to have:

- Concluded the final settlement of the Doig Street, Cleveland property sale.
- Completed Stages 1 and 2 of the Weinam Creek Priority Development Area project, which included a new car park at Moores Road, Redland Bay, pathways and a footbridge connecting to the Marina ferry terminal.
- Delivered a new nine lot residential sub-division, selling eight and retaining one as a future investment.
- Facilitated the signing of a non-binding Memorandum Of Understanding with Shayher Group, providing a new development partner for the delivery of the Capalaba Town Centre Revitalisation project.
- Commenced construction of a new boutique townhouse development, delivering affordable, high-quality housing solutions to our Redlands Coast.
- Commenced negotiations with a number of potential corporate partners for future investment and development opportunities.
- Contributed and participated in a number of community initiatives, including a planting day at the Weir Urban Habitat conservation area and Clean Up Australia Day at Sel Outridge Park with local community groups.
- Repositioned the RIC brand to closer align our corporate image with Council and the newly launched Redlands Coast branding.

The current economic conditions that are the result of the COVID-19 pandemic have had some direct impact on RICs operations, especially to the tenants of our investment at Cleveland Plaza. RIC has continued to work collaboratively with the local businesses affected through this difficult time.

Additionally, RIC has been working closely with our construction contractors to review opportunities where we can increase the use of local Redlands Coast businesses and suppliers across RICs developments. This has included work across our Birkdale development, Edge 521 and the Weinam Creek PDA.

RIC has been negotiating with other parties to ensure that development work in the Redlands Coast continues regardless of the downturn.

The RIC team are looking forward to continuing to demonstrate our ability to add value and benefit to the Redlands Coast community throughout the year, in line with our vision and mission statements. RIC is particularly committed to driving the recovery of the Redlands Coast in the next 24 months by progressing our key projects as a priority.



A handwritten signature in black ink, appearing to read 'P. KELLY'.

Peter Kelley
Chief Executive Officer
Redland Investment Corporation

PERFORMANCE HIGHLIGHTS

Redland Investment Corporation have delivered a number of highlights this year as part of our long-term business strategy, supporting key outcomes within Council's Corporate Plan 2018-2023.

STRATEGIC LAND SALES

Doig Street, Cleveland

The sale of 4-10 Doig Street on 6 December 2019 included the facilitation of a lease agreement between the new owner and Council to enable the continued use of the car park by the public at a nominal cost.

This is a significant milestone in the progress of the plans for the Doig Street property. Substantial community benefits are expected from the proposed development of this site including:



Proposed Doig Street, Cleveland development. Artist impression for indicative purposes only.



FIVE LEVELS
OF AGED CARE
ACCOMMODATION



GROUND-FLOOR
RETAIL SPACE



186 BASEMENT
AND GROUND-LEVEL
CAR PARKS



MEDICAL AND
LIFESTYLE AMENITIES



EMPLOYMENT FOR
OVER 100 AGED CARE
PROFESSIONALS

Sale of Moores Road residential lots 1-8

Eight of the nine Moores road residential lots were sold in 2019-2020. RIC undertook construction on the site including civil and electrical and approvals for residential developments prior to being sold. Lots 1 to 8 settled this financial year.

Lot 9 of Moores Road was retained and developed by RIC, with a view to holding it in the longer term as an investment.



Wynyard Street, Cleveland

18-22 Wynyard Street, Cleveland was transferred to RIC from Council as surplus land to unlock the value of the asset. The contract of sale for the land in heart of the Cleveland Central Business District was signed in 2017 and settled in stages, with the final settlement received in 2019.

Plans for the block on Wynyard street include a two-storey office block that employs 50 staff and inject millions into the Redlands Coast local economy.



PROJECT DELIVERY

Weinam Creek Priority Development Area



DELIVERY OF STAGES 1 AND 2 OF THE WEINAM CREEK PRIORITY DEVELOPMENT AREA

Construction for Stage 1 of Council's Weinam Creek Priority Development Area (PDA), which includes the new car park on Moores Road, pathways and footbridge connecting to the Marina ferry terminal in Redland Bay was delivered this year.

The addition of the new valuable car parking on Moores Road is an integral part of the overall masterplan which responds to the community's needs.

Weinam Creek is set to become an exciting and dynamic destination in its own right – as well as an effective transport hub and gateway to the islands. The Weinam Creek masterplan will be delivered in stages and transform the waterfront of Redland Bay, provide valuable community infrastructure for local families, improve the usability of the transport hub, attract visitors, create jobs and drive economic development in the area.

THE MASTERPLAN INCLUDES:

- more open space
- new pedestrian and cycle ways
- rejuvenation of existing parkland
- more car parks
- improved drop off and storage facilities for island residents and visitors
- a new boat ramp to separate emergency and public access
- a mix of residential and retail spaces including cafes, restaurants and potential for a medical precinct.

COMMUNITY BENEFITS

Weinam Creek Priority Development Area



Weinam Creek PDA. Artist impression for indicative purposes only



NEW CAR PARKS

New car parks, comprising both ground level and multi-deck parking are planned over the life of the project.



RECONFIGURED ROAD NETWORK TO REDUCE CONGESTION

The precinct will be reconfigured to ease congestion, connecting Hamilton Street to Outridge and Banana Streets, incorporating the existing bus route.



REJUVENATED PARKS AND PATHWAYS

More than 46,900sqm of rejuvenated existing park will include a new water play park, increased pedestrian and cycle paths, and landscaped waterfront walkways to enhance the area and increase security.



FAMILY FRIENDLY AREAS

More than 21,000sqm of new public open space with communal areas providing opportunities for family fun and relaxation



BOATING FACILITIES

A new public boat ramp and additional boat parking is also planned.



RESTAURANT, RETAIL AND COMMERCIAL PRECINCT

More than 10,000sqm of lifestyle offerings, including restaurants, cafes, grocery outlets and a potential health precinct will provide convenient, practical amenities creating and supporting employment opportunities for island and mainland residents.

Commenced construction of Edge 521

RIC commenced civil works to deliver a boutique, high-quality two-storey townhouse development. Edge 521 will be set on 3,559m², backing onto 16,650m² of nature reserve in Birkdale.



Conservation Area

ONCE COMPLETED, THE DESIGN FEATURES WILL INCLUDE:

- 13 high-quality two-storey townhouses
- Five 4-bedroom townhouses
- Eight 3-bedroom townhouses
- Well appointed kitchens with stainless steel appliances
- Sleek, modern lines and elegant architectural points
- Shaded outdoor terraces or balcony areas
- Secure double car garages

COMMUNITY BENEFITS

- RIC has engaged environmental consultants to undertake a vegetation rehabilitation program which involves planting trees, removing declared pests, weeds and exotic pests to rejuvenate the 16,650m² of undeveloped land and provide an improved koala habitat for the retained conservation area
- Improved housing solutions for the site
- Provide a valuable economic boost to the community, providing a range of jobs for local trades during the construction period

STRATEGIC PARTNERSHIPS AND COLLABORATIONS

RIC provides a bridge between local government and the private sector to help facilitate successful partnerships and collaborations with private enterprise and community groups. This drives key outcomes that benefit our Redlands Coast.

This year RIC facilitated the signing of a non-binding Memorandum Of Understanding with Shayher Group, providing a new development partner for the delivery of the Capalaba Town Centre Revitalisation project.

RIC facilitated the key partnership with Walker Group who continued the Environmental Impact Studies for the Toondah Harbour PDA project this year.

RIC also commenced negotiations with a number of potential corporate partners for future investment and development opportunities.



OUR REDLANDS COAST COMMUNITY

RIC participated in a number of community days within our Redlands Coast through 2019-2020.

Planting Day at McMillan Street, Alexandra Hills



A planting day was held in honour of naming a local conservation area on McMillan Rd, Alexandra Hills, the Wehr Urban Habitat. The naming of the conservation area was to acknowledge the Wehr family's history with the land and how the Redlands Coast community and landscape had evolved. RIC contributed \$9,000 towards the purchase of the plants and also participated in the planting day alongside Division 8 Councillor Tracey Huges.





Clean Up Australia Day

RIC joined with local Redlands Coast community groups the Lions Club of Redland Bay/Victoria Point, the Bayside South RSL Sub-branch, the Redlands Sea Dragons and the Wildlife Preservation Society Bayside at Sel Outridge Park within the Wienam Creek PDA this year. Our RIC staff participated in cleaning up Sel Outridge Park and the adjoining foreshore, through to the Marina ferry terminal.

RIC also sponsored a well-deserved sausage sizzle, hosted by the Redland Bay Lions Club as a thank you to all who joined in.



DELIVERING CITY BUILDING AND PLACE MAKING PROJECTS

CAPALABA TOWN CENTRE REVITALISATION PROJECT

A preferred developer has now been selected by Council for the Capalaba Town Centre revitalisation project. RIC will be providing consulting and project management services for this key council revitalisation project.

TOONDAH HARBOUR PDA

The RIC Group will continue to manage the Joint Venture agreement between Council and the Queensland State Government. The project will continue through the Environmental Impact Statement (EIS) phase for most of the 2020-2021 financial year.

WEINAM CREEK PDA

The delivery of the Weinam Creek PDA will continue to be a community benefit asset and multi-income stream. This project involves consultancy and construction management directly for Council, RIC funded land developments and the brokerage of land on Council's behalf. RIC will use its skill base to provide Council value for money through efficient use of Operational and Capital funds, obtaining competitive construction prices and endeavour to minimise Council's overall spend through commercial transactions. On consolidation, the Council/RIC Group will see an opportunity to offset significant infrastructure spend.

DEVELOPMENT AND LAND PROJECTS

RIC strives to be self-funded through various services which include:

- Property development
- Land sales
- Investments.

The focus for 2020-2021 will include:

- 521 Old Cleveland Road East, Birkdale - (townhouse development)
- Cleveland Plaza - (retail / office investment)
- 2 Colburn Ave, Victoria Point - (commercial car park – managed on behalf of Council)
- Meissner Street, Redland Bay - (investment property).

INCREASE
COMMUNITY WORK
OPPORTUNITIES

ADVOCATE FOR THE
REDLANDS COAST

PART 1 REDLAND INVESTMENT CORPORATION (RIC)



AN INDEPENDENT BOARD

Redland Investment Corporation has a skilled, independent Board of Directors who are responsible for setting the strategic direction for the company.

RICs Board of Directors bring significant experience across the property, construction and public infrastructure sectors, who work together to provide governance and leadership for the company.

The Board is accountable to Council as the company's only shareholder, for the management, strategy, governance and performance of RIC; and is involved in the development and approval of the RIC business and financial plans.

Board members must comply with all governing legislation and make decisions that are effective and in the Council's interest.

RICs Board of Directors are:



**MR PHILIP HENNESSY
CHAIRMAN**

The Board Chairman, Phil Hennessy has a wealth of experience, with 12 years as the Queensland Chair at KPMG and more than 30 years in all aspects of corporate insolvency and reconstruction.



**MR GREG KEMPTON
DIRECTOR**

Greg was appointed as a Director in July 2015. Since commencing a non-executive career ten years ago, Greg has held directorships in the education, mining services, power, construction and transportation industries.



**MR MITCH NIELSEN
DIRECTOR**

Mitch Nielsen is Managing Director at property development company Indigo, where he has worked for the past 18 years.



Our Team

The RICs Executive team comprises of the Chief Executive Officer and Company Secretary.

The Chief Executive Officer operates with delegated responsibility from the Board to drive the strategic direction of the company.

Executive Team



CHIEF
EXECUTIVE
OFFICER



COMPANY
SECRETARY
GENERAL
COUNSEL

Corporate Governance

RIC is a registered Australian Proprietary Company, Limited by Shares and operating under the Corporations Act 2001 and wholly owned by Council.

RIC is classified as a Public Sector Entity. As a result, the company is required to be audited on an annual basis by the Auditor-General of Queensland.

Council's audit committee has oversight of RIC's auditing processes and has powers to conduct independent audits of the company.

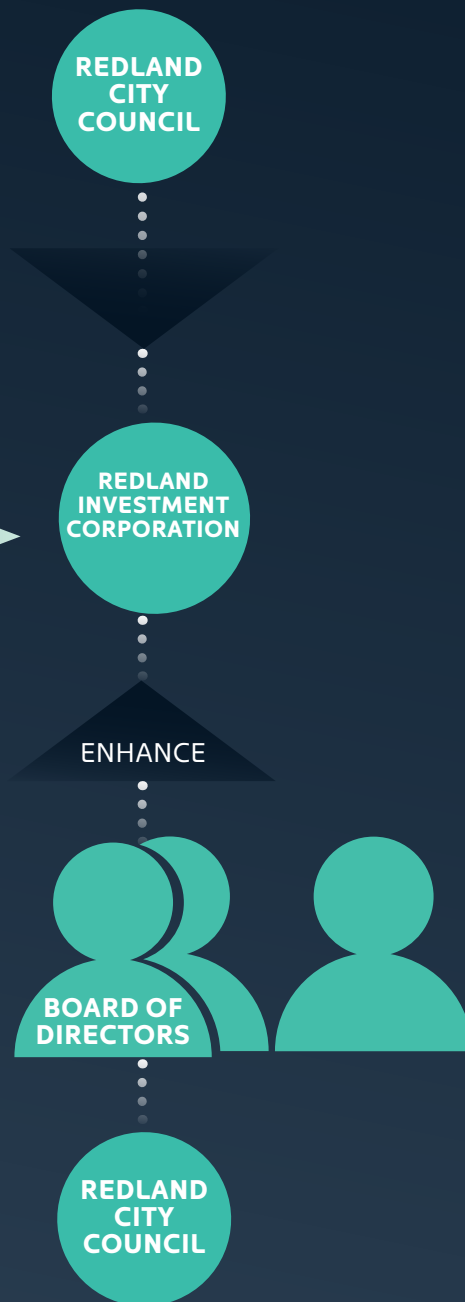
GOVERNING FRAMEWORK

Governing Framework

LEGISLATIVE FRAMEWORK

- Corporations Act 2001
- Local Government Act 2009
- Local Government Regulation 2012
- Auditor-General Act 2009

Under the Auditor-General Act 2009, the company is classified as a Public Sector Entity and will therefore have its finances independently audited and reported.



CORPORATE TRANSPARENCY

Redland Investment Corporation's transparency to Redland City Council is critical to the success of the company's operations.

Members of Council's Executive Leadership Team form Steering Committees for two of Council's and RIC's major city building projects, the Weinam Creek Priority Development Area and the Capalaba Town Centre Revitalisation project. The Steering Committees have been created to provide strategic guidance and oversight for the duration of the projects.

The governance and reporting arrangements between RIC and Council provide for a high degree of transparency and consultation regarding key decisions and activities.



Councils corporate representation provides:

-  Shareholder visibility and oversight of RICs projects and operations
-  Opportunity for integral feedback between RIC and Council
-  Assistance in achieving shared goals and objectives between Council and RIC

PART 2 REPORTING AND PERFORMANCE

QUARTERLY FINANCIAL AND MANAGEMENT REPORTS

RIC provides Quarterly Financial and Management reports to Redland City Council. These reports provide additional shareholder oversight of RIC's operations and performance.

As part of our commitment to transparency, RIC strives to make as much information public without compromising the integrity of commercial agreements and terms of negotiations.

The Quarterly Financial and Management reports provide Council with:

- Quarterly financial performance reviews
- Progress updates across all Major projects
- Property Development
- Acquisition and investment opportunities
- Transparency and accountability
- Engagement and opportunity for input from our Shareholder

PERFORMANCE PILLARS

Property Development

RIC specialises in negotiating, managing and delivering complex, mixed-use developments involving public – private partnerships, commercial property management and construction of boutique residential developments, optimising the development potential of key parcels of land, including community space.



PROJECT	DELIVERED TO DATE
Wynyard Street, Cleveland	RIC have unlocked the value of an underperforming asset in the heart of the Cleveland Business District.
Doig Street, Cleveland	<p>RIC facilitated the sale of this key CBD site, stimulating cashflow. RIC sought a strategic development partner that will provide substantial community benefits from the proposed development site.</p> <p>A lease agreement with Council to enable the continued use of the car park by the public at a nominal cost.</p>
Moores Road Residential lots	<p>RIC completed a nine lot sub-division.</p> <p>One lot has been retained and further developed, providing future strategic investment opportunities.</p>
Weinam Creek PDA	<p>Completion of Stages 1 and 2 of Council's Weinam Creek Priority Development Area (PDA).</p> <p>Delivered valuable infrastructure to Redlands Coast which includes increased parking with a new car park on Moores Rd, pathways and a footbridge connecting to the Marina ferry terminal in Redland Bay.</p> <p>Finalisation of the masterplan for the PDA.</p>
Capalaba Town Centre Revitalisation project	Following an extensive Expression of Interest campaign, RIC and Council announced a preferred Development Partner and entered into a non-binding Memorandum of Understanding, setting out a plan for the next phase of negotiations.
Edge 521	Commenced construction of the boutique thirteen townhouse development.

Property Acquisitions

RIC actively seeks strategic land acquisitions to grow our business and diversify our asset and investment base.

Social and Community benefits

Delivering social and community benefits to our Redlands Coast is a key consideration throughout RICs projects and objectives.

RIC strives to increase its proactive engagement initiatives and deliver key social benefits that include diverse housing opportunities, contributing to public realm works and infrastructure, encouraging the provisions of goods and services from local Redlands Coast businesses, creating local jobs and facilitating community services and infrastructure in collaboration with Council and the private sector.



Weinam Creek PDA.
Artist impression for
indicative purposes only

PROJECT	DELIVERED TO DATE
Property acquisitions pipeline – outside Redland City	Approval from RICs board to commence identifying a pipeline of potential self-funded projects that would meet RICs financial objectives and skill set.

PROJECT	DELIVERED TO DATE
Community engagement	<p>RICs community engagement activities have taken the opportunity to inform our Redlands Coast community of the progress of our projects. These include:</p> <ul style="list-style-type: none"> • Nine letterbox drops • Ongoing website updates • Electronic Direct Mail • Onsite signage • Digital media • Press advertising • The launch of a dedicated RIC website increasing our audience reach and the transparency of our operations

Community Services or Infrastructure	<p>RIC have provided valuable community infrastructure across our Redlands Coast including the delivery of Stages 1 and 2 of the Weinam Creek PDA. Infrastructure includes:</p> <ul style="list-style-type: none"> • increased parking at the newly constructed Moores Rd car park • pathways and footbridge connecting the car park to the Marina ferry terminal. • Increased housing options with a new nine lot sub-division and the commencement of a high-quality housing construction.
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Economic Stimulus or furthering Council's Strategic Plans	<p>RIC have been working to deliver community benefits for our Redlands Coast across a number of projects. Once complete, the Economic benefits from our current major projects includes:</p> <p>Capalaba Town Centre Revitalisation Project</p> <p>No. of construction jobs: 153 direct and indirect full-time equivalent jobs</p> <p>No. of operational jobs: 757 direct and indirect full-time equivalent jobs</p> <p>Weinam Creek PDA</p> <p>Total project cost: \$40.2m (or estimated \$186.2m including the multi-storey car park and residential precinct)</p> <p>No. of construction jobs: 102 direct and indirect full-time equivalent</p> <p>No. of operational jobs: 699 direct and indirect full-time equivalent</p>
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Toondah Harbour PDA. Artist impression for indicative purposes only



Toondah Harbour PDA. Artist impression for indicative purposes only

Research and Development

RIC regularly commissions research and economic studies for development and investment opportunities that help inform project outcomes.

Understanding our economic environment helps keep us focussed on achieving community benefits for our local Redlands Coast community that will facilitate future growth and economic stimulus.

PROJECT	DELIVERED TO DATE
<p>Economic Stimulus or furthering Council's Strategic Plans</p>	<p>RIC have been working to deliver community benefits for our Redlands Coast across a number of projects. Once complete, the Economic benefits from our current major projects includes:</p> <p>Toondah Harbour PDA</p> <p>Total Project Cost: \$1.4billion</p> <ul style="list-style-type: none"> • 1,000 construction-related jobs annually during the construction phase • 500 jobs on site once operational • \$78.1 million additional retail expenditure in the Redlands • \$34.8 million contributed annually to Gross Regional Product • \$175 million investment in tourism enabling infrastructure • Projected 50,000 additional visitors annually, generating a further 500 jobs in the region's tourism sector • Opportunities for local businesses and suppliers, including Indigenous businesses • Training and skills development • Supporting the economic transition strategy for Minjerribah (North Stradbroke Island) <p>Nearly \$116 million in community infrastructure will be delivered with the revitalisation of Toondah Harbour.</p> <p>Edge 521</p> <ul style="list-style-type: none"> • Improved housing solutions for the site • Provide a valuable economic boost to the community, providing a range of jobs for local trades during the construction period.
<p>Deliver environmental and conservation outcomes and improved access to greenspace</p>	<p>RIC has engaged environmental consultants to undertake a vegetation rehabilitation program which involves planting trees, removing declared pests, weeds and exotic pests to rejuvenate the 16,650m2 of undeveloped land and provide an improved koala habitat for the retained conservation area.</p> <p>Contributed \$9,000 towards the plants for a local conservation area on McMillan Rd, Alexandra Hills, the Wehr Urban Habitat.</p>

PROJECT	YEAR TO DATE RESULT
<p>Weinam Creek PDA</p>	<p>Research data was commissioned to help inform the economic benefits of the Weinam Creek PDA and assist with future investment and partnership opportunities.</p>



Weinam Creek PDA. Artist impression for indicative purposes only

Economic Development and Investment

RIC supports investing in local opportunities and developments that will assist in driving economic initiatives to grow our Redlands Coast.

We are a Redlands Coast business, investing in the future growth of our Redlands Coast, supporting and partnering with our local market to deliver outcomes that build wealth locally, where possible.

Partnerships and Collaboration

A fundamental contributing factor for our future success is partnerships. RIC provides a bridge between local government and the private sector to help facilitate successful partnerships and collaborations with private enterprise and community groups to deliver strategic outcomes that benefits our Redlands Coast.



PROJECT	DELIVERED TO DATE
<p>Cash and alternative investment opportunities</p>	<p>With the purchase of Cleveland Plaza, RIC was able to diversify our investment opportunities.</p> <p>RIC works to continually improve the asset and ensure it is maximising its full investment potential.</p>



PROJECT	DELIVERED TO DATE
<p>Manage key Government relationships and collaborations</p>	<p>RIC continued to maintain a strong working relationship with Economic Development Queensland to assist in the delivery of some of our key city building and place making projects:</p> <ul style="list-style-type: none"> • Weinam Creek PDA project • Toondah Harbour PDA redevelopment project <p>RIC continued to engage with key traditional owner stakeholders across multiple key projects.</p>

<p>Source and manage new and existing partnerships with key stakeholders within the private sector to deliver strategic outcomes that benefit our Redlands Coast.</p>	<p>RIC continued to work closely with Walker Group who progressed the Environmental Impact Studies for the Toondah Harbour PDA.</p> <p>Facilitated the signing of a non-binding Memorandum Of Understanding with Shayher Group, providing a new development partner for the delivery of the Capalaba Town Centre Revitalisation project.</p> <p>Commenced negotiations with a number of potential corporate partners for future investment and development opportunities.</p>
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CONSOLIDATED FINANCIAL STATEMENTS 2019 - 2020



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
Total revenue and other income	2	11,752,470	6,966,068	11,491,590	6,865,484
Costs of goods sold		(9,990,214)	(5,616,722)	(9,990,214)	(5,616,722)
Employee benefits expense	3	(1,117,667)	(1,232,540)	(1,086,417)	(1,232,540)
Rental property administration costs		(184,342)	(152,434)	(14,342)	(11,581)
Admin & Corporate costs		(346,723)	(459,770)	(345,890)	(472,922)
Auditors' remuneration	19	(25,100)	(19,410)	(25,100)	(19,410)
Depreciation expense	9	(38,599)	(36,489)	(24,486)	(22,172)
Finance costs		(11,842)	(4,171)	(8,375)	(4,158)
Total expenses		(11,714,487)	(7,521,536)	(11,494,824)	(7,379,505)
Profit/(Loss) before income tax		37,983	(555,468)	(3,234)	(514,021)
Income tax (expense)/benefit	1d	-	-	-	-
Profit/(Loss) after income tax		37,983	(555,468)	(3,234)	(514,021)
Other comprehensive income		-	-	-	-
Total comprehensive income		37,983	(555,468)	(3,234)	(514,021)

The above statement should be read in conjunction with the accompanying notes and significant accounting policies. Please note that certain comparative information has been reclassified in line with current year classifications.

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	6,039,996	4,056,840	5,904,320	3,964,654
Trade and other receivables	5	785,316	435,848	1,410,757	437,530
Inventory	6	1,497,131	1,858,025	-	955,077
Other current assets		-	33,621	-	33,621
Investment property	7	-	8,050,000	-	8,050,000
Total Current Assets		8,322,443	14,434,334	7,315,077	13,440,882
NON-CURRENT ASSETS					
Investment property	7	6,798,993	4,017,148	2,683,503	-
Investment in subsidiary	8	-	-	5,332,292	5,332,292
Property, plant and equipment	9	468,708	469,718	59,995	46,893
Total Non-Current Assets		7,267,701	4,486,866	8,075,790	5,379,185
Total Assets		15,590,144	18,921,200	15,390,867	18,820,067
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	2,671,108	4,859,261	2,555,103	4,800,183
Deferred revenue	14	-	1,293,977	-	1,293,977
Total Current Liabilities		2,671,108	6,153,238	2,555,103	6,094,160
NON-CURRENT LIABILITIES					
Provisions	13	74,147	51,056	74,147	51,056
Borrowings	12	90,000	-	90,000	-
Total Non-Current Liabilities		164,147	51,056	164,147	51,056
Total Liabilities		2,835,255	6,204,294	2,719,250	6,145,216
Net Assets		12,754,889	12,716,906	12,671,617	12,674,851
EQUITY					
Issued Capital	15	13,101,100	13,101,100	13,101,100	13,101,100
Retained earnings		(346,211)	(384,194)	(429,483)	(426,249)
Total Equity		12,754,889	12,716,906	12,671,617	12,674,851

The above statement should be read in conjunction with the accompanying notes and significant accounting policies. Please note that certain comparative information has been reclassified in line with current year classifications.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

Consolidated	Note	Contributed equity \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2018		14,712,100	169,862	14,881,962
Retained earnings RIC Toondah	1c	-	1,412	1,412
Profit/(loss) for the year		-	(555,468)	(555,468)
Total comprehensive income for the year		-	(554,056)	(554,056)
Transactions with owners				
Return of land to Redland City Council		(1,611,000)	-	(1,611,000)
Distribution to shareholder - Redland City Council		-	-	-
Balance as at 30 June 2019		13,101,100	(384,194)	12,716,906
Balance as at 1 July 2019		13,101,100	(384,194)	12,716,906
Profit/(loss) for the year		-	37,983	37,983
Shares issued during the year		-	-	-
Total comprehensive income for the year		-	37,983	37,983
Transactions with owners				
Distribution to shareholder - Redland City Council		-	-	-
Return of land to Redland City Council		-	-	-
Balance as at 30 June 2020		13,101,100	(346,211)	12,754,889
Parent				
Balance as at 1 July 2018		14,712,100	87,772	14,799,872
Profit for the year		-	(514,021)	(514,021)
Total comprehensive income for the year		-	(514,021)	(514,021)
Transactions with owners				
Distribution to shareholder - Redland City Council		-	-	-
Return of land to Redland City Council		(1,611,000)	-	(1,611,000)
Balance as at 30 June 2019		13,101,100	(426,249)	12,674,851
Balance as at 1 July 2019		13,101,100	(426,249)	12,674,851
Profit/(loss) for the year		-	(3,234)	(3,234)
Shares issued during the year		-	-	-
Total comprehensive income for the year		-	(3,234)	(3,234)
Transactions with owners				
Distribution to shareholder - Redland City Council		-	-	-
Return of land to Redland City Council		-	-	-
Balance as at 30 June 2020		13,101,100	(429,483)	12,671,617

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		10,834,058	10,018,001	10,713,374	9,749,076
Payments to suppliers and employees		(15,334,797)	(3,730,540)	(15,387,577)	(7,085,032)
Interest received		53,986	29,918	53,571	28,712
Dividends received		-	-	60,000	211,000
Finance costs		(11,842)	(4,171)	(8,375)	(4,158)
Net cash generated by operating activities		(4,458,595)	6,313,208	(4,569,007)	2,899,598
Payments for investment property		(507,146)	(118,496)	(353,739)	(84,057)
Payments for property plant and equipment		(37,589)	(18,945)	(37,588)	(18,943)
Proceeds from investments		6,900,000	-	6,900,000	-
Purchase of investments		-	-	-	(104,074)
Repayments of loan from subsidiary		-	-	-	3,500,000
Net cash used in investing activities		6,355,265	(137,441)	6,508,673	3,292,926
Proceeds from borrowings		90,000	-	-	-
Repayment of borrowings		-	(3,500,000)	-	(3,500,000)
Dividends paid		-	(1,500,000)	-	(1,500,000)
Interest paid on borrowings		(3,514)	(34,757)	-	(34,757)
Net cash generated in financing activities		86,486	(5,034,757)	-	(5,034,757)
Net increase in cash and cash equivalents held		1,983,156	1,141,010	1,939,666	1,157,767
Cash and cash equivalents at beginning of year		4,056,840	2,915,830	3,964,654	2,806,887
CASH AND CASH EQUIVALENTS END OF YEAR	4	6,039,996	4,056,840	5,904,320	3,964,654

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

Notes to the Financial Statements

For the period ended 30 June 2020

Notes to the Financial Statements

Note 1 Summary of Significant Accounting Policies

The consolidated financial statements and notes represent those of Redland Investment Corporation Pty Ltd (RIC) as the parent entity, and RIC and subsidiaries as a Group. RIC is a proprietary company registered under the *Corporations Act 2001*, established and domiciled in Australia.

The financial statements were authorised for issue on 3 September 2020 by the Directors of the company.

Basis of Preparation and Compliance

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. RIC is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of the 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 accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. New Accounting Standards Adopted by the Group

The Group has applied the new standard AASB 16 *Leases* for the first time this financial year. However, there are no material implications arising from this application.

b. New Accounting Standards for Application in Future Years

A number of new standards and interpretations are effective for annual reporting periods beginning after 1 July 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements. The new standards relate to very specific circumstances and are not applicable to the Group.

Notes to the Financial Statements

For the year ended 30 June 2020

c. Basis of Consolidation

The consolidated financial statements comprise the financial statements of RIC and its subsidiaries as at 30 June 2020.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in a subsidiary is accounted for at cost in the financial statements of RIC. As at 30 June 2020 RIC had three wholly owned controlled entities:

RIC Toondah Pty Ltd - ABN 51 609 517 348 (Consolidated)

RIC has 100% ownership of RIC Toondah Pty Ltd (RIC Toondah), which is limited by shares. RIC Toondah was formed to provide the administration services for the day-to-day management of the joint operation between the Minister for Economic Development Queensland (MEDQ), Redland City Council and the developer (Walkers Group) for the project in the Toondah Harbour Priority Development Area. The project is pending a transfer of State land to MEDQ as well as an environmental assessment; as such, nominal transactions have occurred in the entity during the current financial year.

The transactions in this entity are considered material in the current financial year and have been consolidated with RIC's financial result. RICT was previously not consolidated as it was not material. An adjustment has been made to retained earnings on 1 July 2018, representing the net assets of RICT when initially consolidated.

Redland Developments Pty Ltd - ABN 90 617 653 531 (Consolidated)

RIC has 100% ownership of Redland Developments Pty Ltd (Redland Developments, formerly AVA Terraces Pty Ltd) which is limited by shares. Redland Developments was formed to develop and manage land at 9-11 Oaklands Street, Alexandra Hills during 2018 and 2019 financial years. During the current financial year, Redland Developments was used for a new development project at 521 Old Cleveland Road, Birkdale (Edge 521) along with other development projects that are independent of Council.

The transactions in this entity are considered material and have been consolidated with RIC's financial result.

Cleveland Plaza Pty Ltd - ABN 67 620 724 558 (Consolidated)

RIC has 100% ownership of Cleveland Plaza Pty Ltd (Cleveland Plaza) which is limited by shares. Cleveland Plaza was formed to manage the investment property at 48 Bloomfield Street, Cleveland.

The transactions in this entity are considered material and have been consolidated with RIC's financial result.

d. Income Taxation

No provision for income tax has been raised as the Group is exempt from income tax per section 11-5 of the *Income Tax Assessment Act 1997*.

Notes to the Financial Statements

For the year ended 30 June 2020

e. Fair Value

The Group measures certain assets at fair value on either a recurring or a non-recurring basis, depending on the requirements of the applicable Accounting Standards.

Fair value is the price the Group would receive to sell an asset in an orderly (i.e. 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 value of assets 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 (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers 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.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs that are directly associated with the acquisition, development and construction of a project (i.e. land being developed for sale) are capitalised as inventory.

g. Property, Plant and Equipment

Plant and equipment including buildings and computer hardware is measured on the cost basis and therefore carried at cost less accumulated depreciation. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount with the loss recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Notes to the Financial Statements

For the year ended 30 June 2020

h. Depreciation

The depreciable amount of fixed assets is depreciated on a straight-line basis or diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is recognised in profit or loss. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>	<i>Depreciation Method</i>
Plant and equipment	13% - 25%	Straight Line
Computer hardware	33% - 67%	Straight Line / Diminishing Value
Buildings	4%	Straight Line

The asset's 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 when the item is derecognised.

i. Investment Property

Investment property is property held to earn rental income or for capital appreciation or for both, not for sale in the ordinary course of business, use in supply of goods or services or for administrative purposes. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value under the fair value model.

Fair value is based on market values and reflects the price at which the property could be exchanged between knowledgeable willing parties in an arm's length transaction at the measurement date.

Any gains or losses arising from the change in fair values of investment properties are recognised in the profit or loss for the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the year of retirement or disposal. Transfers are made to, or from, investment property when, and only when, there is a change in use, evidenced by ending or commencement of owner-occupation, commencement of an operating lease to another party or commencement of development with a view to sale.

Notes to the Financial Statements

For the year ended 30 June 2020

j. Leases (the Group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

k. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement is described below.

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

Classification and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets which includes trade and other receivables and cash and short-term deposits are measured at amortised cost.

Notes to the Financial Statements

For the year ended 30 June 2020

k. Financial Instruments (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. Classifications are determined by both the entities' business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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 year and is equivalent to the rate that exactly discounts estimated cash payments or receipts (including fees, transaction costs, 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.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Impairment

AASB 9 impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI), trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Notes to the Financial Statements

For the year ended 30 June 2020

k. Financial Instruments (continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or 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 Group 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.

l. Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the reporting year in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Group's obligation for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligation. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligation for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group 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 provisions.

m. Provisions

Provisions are recognised when the Group 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.

Notes to the Financial Statements

For the year ended 30 June 2020

n. 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 within short-term borrowings in current liabilities in the statement of financial position.

o. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after considering any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue. The Group recognises revenue to the extent that it is probable that the economic benefits will flow to the Group and the performance obligations are met regardless of when the payment is received.

Revenue from the sale of property is recognised at a point in time based on enforceability of a contract and the specificity of performance obligations. An enforceable right to payment arises once legal title has passed to the customer.

Revenue from consulting services is recognised over time based on the performance obligations of each contract. This is because the asset created does not have an alternative use for the Group and the contracts have an enforceable right to payment for the time and effort spent by the Group on progressing the performance obligation.

For partially completed contracts the Group recognise revenue based on stage of completion of the project, which is estimated by comparing the total costs incurred, including labour hours, relative to expected costs to complete the project.

This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated costs to complete the projects and therefore also represents the amount to which the Group would be entitled to, based on its performance to date. Where revenue is received in advance, it is shown as deferred revenue on the Statement of Financial Position.

Where consulting service contracts are based on an as needs basis, revenue is recognised based on labour hours expended each month to manage the requirements of the contract. Revenue is recognised once the deliverable of the specific customer request has been completed.

Rental income from operating leases over commercial investment property is recognised on a straight-line basis over the lease term. Rent not received at balance date is reflected in the balance sheet as a receivable, or if paid in advance as deferred revenue.

Interest revenue is recognised using the effective interest method applied to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

All revenue is recognised net of the amount of goods and services tax.

Notes to the Financial Statements

For the year ended 30 June 2020

p. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1k for further discussions on determination of impairment losses. All known bad debts were written-off or provided for at 30 June 2020.

q. Goods and Services Tax (GST)

Revenue, 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 net 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.

r. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

s. Dividends Payable

Dividends payable are recognised when the dividend is appropriately authorised and is no longer at the discretion of the company.

t. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires the determination and use of certain critical accounting estimates and management assumptions that have potential to cause a material adjustment to the carrying amount of assets and liabilities within the financial year. Such estimates, judgements and assumptions are reviewed on an ongoing basis.

The Directors evaluate estimates and judgements 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 Group.

Revisions to accounting estimates are recognised in the period in which the estimate is reviewed and in the future periods as relevant. Judgements, estimates and assumptions that have a potential significant effect are outlined in the following notes:

- Fair value of investment properties (Note 1e and Note 17)
- Revenue and other income (Note 1o).

u. Correction to prior period error

There were no material adjustments to prior period. There were no restatements arising from prior period errors in the financial year ended 30 June 2020.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2 Total Revenue and Other Income

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Sales revenue	10,462,964	6,367,298	10,402,387	6,367,298
Fair value adjustment	354,527	67,114	409,595	67,114
Project management fees	469,987	127,942	457,708	127,942
Commercial rent	302,677	310,901	-	523
Parking fees	65,898	64,395	65,898	64,395
Dividend from subsidiary	-	-	60,000	211,000
Interest revenue	57,901	28,418	57,486	27,212
Other recoveries	38,516	-	38,516	-
Total revenue and other income	11,752,470	6,966,068	11,491,590	6,865,484

Note 3 Employee Benefits Expenses

Staff wages and salaries	878,180	982,486	878,180	982,486
Superannuation	91,939	102,566	91,939	102,566
Directors' fees	147,548	147,488	116,298	147,488
Total employee benefits expense	1,117,667	1,232,540	1,086,417	1,232,540

Note 4 Cash and Cash Equivalents

Cash at bank	446,646	4,056,840	310,970	3,964,654
QTC Cash Management Fund	5,593,350	-	5,593,350	-
Total cash and cash equivalents	6,039,996	4,056,840	5,904,320	3,964,654

Note 5 Trade and Other Receivables

CURRENT

Trade receivables				
- Receivable from Redland City Council	540,535	297,442	539,349	283,839
- Commercial rent and car parking	98,459	68,771	6,299	3,495
- Receivable from subsidiary	-	-	772,153	35,870
- Receivable from other customers	43,584	59,178	-	36,351
- Less: provision for expected credit losses	(16,452)	-	-	-
- Net GST receivable	15,459	10,457	(174)	77,975
Bonds and deposits paid	87,357	-	76,756	-
Interest receivable	3,915	-	3,915	-
Other receivables	12,459	-	12,459	-
Closing balance as at 30 June	785,316	435,848	1,410,757	437,530

Please note that certain comparative information has been reclassified in line with current year classifications.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 6 Inventory

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Opening balance as at 1 July	1,858,025	6,543,857	955,077	3,812,100
Acquisitions and related costs	1,629,293	2,517,948	1,094,638	2,274,458
Transfer to Investment property	(236,140)	-	(220,170)	-
Transfer to subsidiary	-	-	(75,498)	(854,418)
Transfer to Redland City Council	-	(1,611,000)	-	(1,611,000)
Disposals	(1,754,047)	(5,592,780)	(1,754,047)	(2,666,063)
Closing balance as at 30 June	1,497,131	1,858,025	-	955,077

Note 7 Investment properties

Opening balance as at 1 July	12,067,148	11,989,953	8,050,000	7,898,829
Acquisitions and subsequent expenditure on investment property	2,255,787	118,496	2,118,347	84,057
Transfer to/(from) other asset class	236,140	(108,415)	220,170	-
Net gain from fair value adjustments to investment property	354,527	67,114	409,595	67,114
Disposals	(8,114,609)	-	(8,114,609)	-
Closing balance as at 30 June	6,798,993	12,067,148	2,683,503	8,050,000

Note 8 Investment in Subsidiary

Investment in Cleveland Plaza Pty Ltd	-	-	4,408,240	4,408,240
Investment in Redland Developments Pty Ltd	-	-	924,052	924,052
Total investment in subsidiary	-	-	5,332,292	5,332,292

Notes to the Financial Statements

For the year ended 30 June 2020

Note 9 Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	2020		2020		2020		2019		2019		2019	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Plant and Equipment	Computer Hardware	Building	Land	Total	Plant and Equipment	Computer Hardware	Building	Land	Total	Plant and Equipment	Computer Hardware
Carrying amount as at 1 July	30,392	16,502	335,199	87,625	469,718	39,996	10,126	328,725	-	378,847	-	-
- Additions	37,589	-	-	-	37,589	-	18,945	-	-	18,945	-	-
- Disposals	-	-	-	-	-	-	-	-	-	-	-	-
- Reclassification	-	-	-	-	-	-	-	20,790	87,625	108,415	-	-
- Revaluation decrements	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
- Depreciation	(12,991)	(11,496)	(14,112)	-	(38,599)	(9,604)	(12,569)	(14,316)	-	(36,489)	-	-
Carrying amount as at 30 June	54,990	5,006	321,087	87,625	468,708	30,392	16,502	335,199	87,625	469,718	-	-

Parent	2020		2020		2020		2019		2019		2019	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Plant and Equipment	Computer Hardware	Building	Land	Total	Plant and Equipment	Computer Hardware	Building	Land	Total	Plant and Equipment	Computer Hardware
Carrying amount as at 1 July	30,392	16,501	-	-	46,893	39,996	10,126	-	-	50,122	-	-
- Additions	37,588	-	-	-	37,588	-	18,943	-	-	18,943	-	-
- Disposals	-	-	-	-	-	-	-	-	-	-	-	-
- Revaluation decrements	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
- Depreciation	(12,991)	(11,495)	-	-	(24,486)	(9,604)	(12,568)	-	-	(22,172)	-	-
Carrying amount as at 30 June	54,989	5,006	-	-	59,995	30,392	16,501	-	-	46,893	-	-

The Group has one multi-function device under lease which is a low value asset and therefore does not give rise to a right-of-use asset.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 10 Trade and Other Payables

	Consolidated		Parent	
	2020	2019	2020	2019
CURRENT	\$	\$	\$	\$
Trade payables				
- Payables to Redland City Council	1,745,200	1,604,602	1,745,200	1,604,602
- Payables to related parties	3,943	7,500	193	9,122
- Payables to external parties	855,876	504,018	743,621	443,319
Annual Leave	66,089	63,241	66,089	63,240
Weinam Creek Car Park Construction	-	2,679,900	-	2,679,900
Total Payables as at 30 June	2,671,108	4,859,261	2,555,103	4,800,183

Please note that certain comparative information has been reclassified in line with current year classifications.

Note 11 Dividends Payable

Cleveland Plaza declared a dividend of \$60,000 to RIC which was paid during the year.

Note 12 Borrowings

Loan provided by Redland City Council	90,000	-	90,000	-
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On 30 April 2019 Redland Developments entered into a loan facility agreement with Redland City Council via RIC for \$3.5 million. \$90,000 was drawn down at 30 June 2020.

Note 13 Provisions

CURRENT				
Long service leave	-	-	-	-
NON-CURRENT				
Long service leave	74,147	51,056	74,147	51,056
Total provisions as at 30 June	74,147	51,056	74,147	51,056

The current portion of the long service leave provision is nil as no employees have completed the required period of service for the long service leave liability to have become vested.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested due to employees having not yet completed the required vesting period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historic data from Council's employment history. The measurement and recognition criteria for employee benefits have been discussed in Note 11.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 13 Provisions (continued)

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Movements in provisions were as follows:				
Long service leave				
Opening balance as at 1 July	51,056	44,969	51,056	44,969
Long service leave entitlement raised	23,091	20,144	23,091	20,144
Long service leave entitlement paid	-	(14,057)	-	(14,057)
Closing balance as at 30 June	74,147	51,056	74,147	51,056

Note 14 Deferred Revenue

Investment Property Sales	-	1,150,000	-	1,150,000
Project Management Fees	-	143,977	-	143,977
Total deferred revenue as at 30 June	-	1,293,977	-	1,293,977

As at 30 June 2019, deposits relating to two properties expected to be sold and settled within the next 12 months were recognised as deferred revenue along with project management fees relating to projects due to be concluded within 12 months. These events concluded in the current financial year and the revenue brought to account.

Note 15 Issued Capital

Equity attributable to owners				
Balance as at 1 July	13,101,100	14,712,100	13,101,100	14,712,100
Cash contributed by parent	-	-	-	-
Land contributed by parent	-	-	-	-
Land transferred to parent	-	(1,611,000)	-	(1,611,000)
Balance as at 30 June	13,101,100	13,101,100	13,101,100	13,101,100
Share capital				
Balance as at 1 July	100	100	100	100
Shares issued during the period	-	-	-	-
Authorised and fully paid ordinary shares as at 30 June	100	100	100	100

Notes to the Financial Statements

For the year ended 30 June 2020

Note 16 Financial Risk Management

RIC's financial instruments consist mainly of deposits with a bank, trade receivables and trade payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows.

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	4	6,039,996	4,056,840	5,904,320	3,964,654
Trade and other receivables	5	785,316	435,848	1,410,757	437,530
Total financial assets		6,825,312	4,492,688	7,315,077	4,402,184
Financial liabilities					
Trade and other payables	10	2,671,108	4,859,261	2,555,103	4,800,183
Borrowings - measured at amortised cost	12	90,000	-	90,000	-
Total financial liabilities		2,761,108	4,859,261	2,645,103	4,800,183

Note 17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the asset/liability being valued. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the asset/liability being valued. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Non-financial assets measured at fair value include investment properties.

All assets for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 represents fair value, measurements that are substantially derives from inputs (other than quoted prices within level 1) that are observable, either directly or indirectly; and
- Level 3 represents fair value measurements that are substantially derived from unobservable inputs.

The specific valuation technique used to value investment properties are documented below. Fair value represents the highest and best use of the assets having regards to the optimal financial, physical and legal use of the asset.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 17 Fair Value Measurement (continued)

Investment properties were initially recognised at cost and subsequently revalued under the fair value model. The Group assesses changes in fair value on an annual basis and recognises any change in fair value through profit or loss in the year in which the change occurs.

The fair values of investment properties were determined using level 2 market approach valuation techniques. These valuation techniques use prices and other relevant information generated by market transactions involving identical or comparable assets.

Market approach valuation techniques included recent sale comparisons of similar properties and land sites. The most significant inputs employed in this valuation technique are price per square meter using recent sales in the same or similar geographical locations and actual binding sale contracts in place as at measurement date.

Where investment properties are purchased in the current financial year it is assumed that the transaction price equals fair value unless any of the following conditions exist:

(a) The transaction is between related parties, although the price in a related party transaction may be used as an input into a fair value measurement if the entity has evidence that the transaction was entered into at market terms.

(b) The transaction takes place under duress or the seller is forced to accept the price in the transaction, for example, that might be the case if the seller is experiencing financial difficulty.

(c) The unit of account represented by the transaction price is different from the unit of account for the asset or liability measure at fair value. For example, that might be the case if the asset or liability measure at fair value is only of the elements in the transaction (e.g. in a business combination), the transaction includes unstated rights and privileges that are measured separately in accordance with another standard, or the transaction price includes transaction costs.

(d) The market in which the transaction takes place is different from the principal market (or most advantageous market). For example, those markets might be different if the entity is a dealer that enters into transactions with customers in the retail market, but the principal (or most advantageous) market for the exit transaction is with other dealers in the dealer market.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 18 Related Party Disclosures

Entities exercising control over the Group

The ultimate parent entity which exercises control over Redland Investment Corporation Pty Ltd is Redland City Council.

Redland Investment Corporation Pty Ltd is a wholly owned subsidiary of Redland City Council.

Key management personnel compensation

The key management personnel during the year were as follows:

Mr Philip Hennessy	Chairperson of RIC and RIC Toondah Boards
Mr Greg Kempton	Director of RIC and RIC Toondah
Mr Mitch Nielsen	Director of RIC and RIC Toondah
Mr Peter Kelley	Director of Cleveland Plaza and Redland Developments Chief Executive Officer
Mrs Anca Butcher	Director of Cleveland Plaza and Redland Developments Company Secretary of all companies General Counsel

The total remuneration paid to key management personnel of the Group are as follows. This includes remuneration accrued at year end:

	2020	2019
	\$	\$
Key management personnel compensation (Paid)	671,984	770,754
Key management personnel compensation (Accrued)	3,943	7,500

Related party transactions

- i. Transactions between Redland City Council and the Group are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

	Note	2020	2019
Purchase of goods and services from Council		142,782	415,586
Receipt / (Repayment) of loan from / (to) Council	12	90,000	(3,500,000)
Interest paid on loan from Council		3,450	34,757
Goods and services cost recovery from Council		3,256,940	3,562,659
Receipts for professional services provided to Council		316,450	149,359
Land sold by Council to RIC		1,700,000	1,500,000
Transfer of land assets from RIC to Council		-	1,611,000

Please note that certain comparative information has been reclassified in line with current year classifications.

The receivables and payables from Council are provided at Notes 5 and 10.

Notes to the Financial Statements

For the year ended 30 June 2020

- ii. Transactions between Redland Investment Corporation Pty Ltd with its subsidiaries are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2020	2019
	\$	\$
Dividend received from subsidiary	60,000	211,000
Receipt of professional services	-	34,700
Investment in subsidiaries	-	958,492
Recoverable from subsidiaries for goods and services	772,153	-

Note 19 Remuneration of Auditors

Auditor-General of Queensland

Audit of financial statements	25,100	19,410
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Note 20 Events after the Reporting Date

The Directors are not aware of any significant events since the end of the reporting period.

The current economic conditions resulting from the COVID-19 pandemic have had some direct impact on RIC's operations, especially to the tenants of the investment property at Cleveland Plaza. RIC will continue to work collaboratively with the local businesses affected through this difficult time.

Note 21 Capital and Leasing Commitments

Redland Investment Corporation Pty Ltd entered into a lease arrangement over land in the current financial year. The lease term is a short term and does not provide an economic benefit to RIC. As such, this is outside the scope of AASB 16.

RIC also has an ongoing lease in relation to one photocopier which is a low value asset and is not subject to AASB 16.

Note 22 Contingent Assets and Liabilities

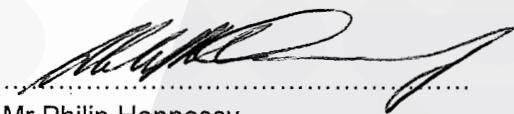
The Group had no contingent assets or contingent liabilities at 30 June 2020.

Directors' Declaration

For the year ended 30 June 2020

In accordance with a resolution of the Directors of Redland Investment Corporation Pty Ltd, the Directors declare that:

1. The financial statements and notes, as set out on pages 7 to 28:
 - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b) give a true and fair view of the financial position of the company and consolidated entity as at 30 June 2020 and their financial performance for the year that ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that Redland Investment Corporation Pty Ltd will be able to pay its debts as and when they become due and payable.



Mr Philip Hennessy
Chairman

Dated this 30 day of September 2020

