

NQ SPARK PTY LTD

ABN: 30 659 690 749

**Annual financial statements
for the period ended 30 June 2023**

NQ SPARK PTY LTD

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**NQ SPARK PTY LTD
DIRECTOR'S REPORT**

The director presents the report on the company for the financial year ended 30 June 2023.

Directors

The names and particulars of the directors of the company during or since the end of the financial year are:

Anthony John Mooney – Appointed 12/06/2023

Jennifer Mary Seddon – Appointed 12/06/2023

John Caligari – Appointed 12/06/2023

Michael Reilly – Appointed 12/06/2023

The above named directors are still in office at the date of this report.

Principal Activities

The principal activities of the company during the financial year were to commence the development of the NQ Simulation Park (NQ Spark) in line with the Grant Agreement.

Review of Operations

The company's operations included implementing mitigation strategies, getting quotes for expenditure, seeking office facilities, and establishing operations. These operations resulted in the company incurring an accounting loss of \$164,077.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

As mentioned in the below Notes to the Financial Statements, matters that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years include:

NQ Spark Pty Ltd received grant funding of \$8,000,000 (GST exclusive) from the Department of Industry, Science and Resources in July 2023. This was the first milestone payment provided as part of a \$32,200,000 (GST exclusive) grant agreement for the North Queensland Simulation Park. Revenue will be recorded in the 2023/24 financial statements. Commonwealth Bank Accounts was closed and business funds transferred to National Australia Bank on 06 December 2023

Change of Shareholders, in May 2024, James Cook University became an equal shareholder with Townsville City Council in NQ Spark.

Payables to Townsville City Council of \$174,097 were forgiven on 17th June 2024 and no further payments are owing to Townsville City Council.

There are no material adjusting events after the balance date.

Future Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

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

Dividends

No dividends have been paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

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

**NQ SPARK PTY LTD
DIRECTOR'S REPORT**

The company was not a party to any such proceedings during the year.
This director's report is signed in accordance with a resolution of the director:

Director  _____

Dated: 20 September 2024

SENSITIVE

NQ SPARK PTY LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 25 MAY 2022 to 30 JUNE 2023

	Note	2023
		\$
Income		
Interest received		943
Total income		<u>943</u>
Expenses		
Recurrent expenses		
Materials and services	2	(165,020)
		<u>(165,020)</u>
Capital expenses		-
Total expenses		<u>(165,020)</u>
Net result		<u>(164,077)</u>
Other comprehensive income		
Items that will not be reclassified to net result		
Increase / (decrease) in asset revaluation surplus		-
Total comprehensive income for the year		<u>(164,077)</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

SENSITIVE

NQ SPARK PTY LTD
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	2023
	\$
Current assets	
Cash and cash equivalents	299,775
Receivables	<u>15,251</u>
Total current assets	<u>315,026</u>
Non-current assets	<u> </u>
Total non-current assets	<u>-</u>
Total assets	<u>315,026</u>
Current liabilities	
Payables and accruals	179,103
Loan from parent entity	<u>300,000</u>
Total current liabilities	<u>479,103</u>
Non-current liabilities	<u> </u>
Total non-current liabilities	<u>-</u>
Total liabilities	<u>479,103</u>
Net community assets	<u>(164,077)</u>
Community equity	
Asset revaluation surplus	-
Retained surplus	<u>(164,077)</u>
Total community equity	<u>(164,077)</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

SENSITIVE

NQ SPARK PTY LTD
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Retained surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance as at 25 May 2022	-	-	-
Net result	(164,077)	-	(164,077)
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	-	-
Total comprehensive income for the year	(164,077)	-	(164,077)
Balance as at 30 June 2023	(164,077)	-	(164,077)

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

NQ SPARK PTY LTD
STATEMENT OF CASH FLOWS FOR THE PERIOD 22 MAY 2022 to 30 JUNE 2023

	2023
	\$
Cash flows from operating activities	
Payments to suppliers and employees	(1,069)
Interest received	844
Net cash inflow (outflow) from operating activities	(225)
Cash flows from investing activities	
Net cash inflow (outflow) from investing activities	-
Cash flows from financing activities	
Loan from controlling entity	300,000
Net cash inflow (outflow) from financing activities	300,000
Net increase / (decrease) in cash and cash equivalents held	(299,775)
Cash and cash equivalents at the beginning of financial year	-
Cash and cash equivalents at the end of financial year	299,775

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

NQ SPARK PTY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Note 1 Significant accounting policies**(a) The reporting entity**

NQ Spark Pty Ltd is a company limited by shares, incorporated and domiciled in Australia on 25 May 2022. The company's main purpose is to establish an advanced environmental simulation facility in Townsville. Townsville City Council (Council) is the controlling entity of NQ Spark Pty Ltd and holds a 100% shareholding. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The address of the Company's registered office and principal place of business is 103 Walker Street, Townsville, QLD 4810.

(b) Basis of preparation

These general-purpose financial statements are for the period 25 May 2022 to 30 June 2023 and have been prepared in accordance with the *Corporations Act 2001*, and Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board and Interpretations.

These financial statements are in Australian dollars and have been prepared under the historical cost convention except where stated.

Net profit/(loss) attributable to NQ Spark Pty Ltd for the financial year was (\$164,077). The Director's believe the company is a going concern. \$8,000,000 (GST exclusive) in grant funding was received from the Department of Industry, Science and Resources in July 2023.

(c) Taxation

NQ Spark Pty Ltd is subject to income tax, Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

(d) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. Those standards have not been adopted by NQ Spark Pty Ltd and will be included in the financial statements on their effective date. These standards are not expected to have a material impact upon NQ Spark's future financial statements and therefore have not been disclosed.

Note 2 Materials and services

	2023
	\$
Bank fees	60
Audit of annual financial statements by the Auditor-General of Queensland	5,000
Establishment expenses	159,960
	165,020

Note 3 Events after the reporting date

NQ Spark Pty Ltd received grant funding of \$8,000,000 (GST exclusive) from the Department of Industry, Science and Resources in July 2023. This was the first milestone payment provided as part of a \$32,200,000 (GST exclusive) grant agreement for the North Queensland Simulation Park. Revenue will be recorded in the 2023/24 financial statements. Commonwealth Bank Accounts was closed and business funds transferred to National Australia Bank on 06 December 2023

Change of Shareholders, in May 2024, James Cook University became an equal shareholder with Townsville City Council in NQ Spark.

Payables to Townsville City Council of \$174,097 were forgiven on 17th June 2024 and no further payments are owing to Townsville City Council.

There are no material adjusting events after the balance date.

NQ SPARK PTY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Note 4 Transactions with related parties**(a) Transactions with Townsville City Council**

Materials and other services provided by Council	158,946
Establishment loan received from Council with a 3-year repayment term	(300,000)

(b) Outstanding balances

Other payables to Council	(174,097)
Loan payable to Council	(300,000)
	(474,097)

Note 5 Auditor remuneration

The fee relating to the external audit of the financial statements for the reporting period is \$5,000.

Note 6 Going concern

As of June 30, 2023, the company has a net current liability position of \$164,077 and incurred an operating loss of \$164,077 in the 2023 financial year - being the first year of operations for the company. In July 2023, the company received grant funding of \$8,000,000 from Department of Industry, Science and Resources . This was the first milestone payment provided as part of a \$32,200,000 grant agreement for the North Queensland Simulation Park. Based on this, the directors have assessed the financial viability of the company and have prepared the financial statements on a going concern basis.

**NQ SPARK PTY LTD
DIRECTOR'S DECLARATION
FOR THE PERIOD ENDED 30 JUNE 2023**

In the opinion of the Directors of the Company:

- a) the financial statements and notes of NQ Spark for the financial period 25 March 2022 to 30 June 2023 are in accordance with the *Corporations Act 2021*, including:
 - a. complying with and *Australian Accounting Standards - Simplified Disclosure* and the *Corporations Regulations 2001*; and
 - b. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- b) there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

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



Lieutenant General John Caligari

Chair

Dated this 20th day of September 2024



Mick Reilly (Sep 21, 2024 12:29 GMT+10)

Professor Mick Reilly

Director

Dated this 20th day of September 2024

AUDITOR'S INDEPENDENCE DECLARATION


To the Directors of NQ Spark Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of NQ Spark Pty Ltd for the financial year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Sri Narasimhan
as delegate of the Auditor-General

20 September 2024

Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Members of NQ Spark Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of NQ Spark Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards – Simplified Disclosures.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 6 to the financial report, which indicates that the entity's current liabilities exceeded its current assets by \$164,077 at 30 June 2023, and it incurred a net operating loss of \$164,077 for the year then ended. As stated in Note 6, these circumstances, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the company for the financial report

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

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for forming an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the company.
- Conclude on the appropriateness of the company's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my 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.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

24 September 2024

Queensland Audit Office
Brisbane