



**SYDNEY**  
MARKETS

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ANNUAL REPORT



20  
23



# SYDNEY MARKETS



## BOARD OF DIRECTORS (L-R)

**MEEGAN GEORGE** - *Nominee Director Warehouses*

**DALE DOONAN** - *Expertise Director*

**SHAUN McINERNEY** - *Expertise Director*

**MARIO MESSINA** - *Acting Chair, Nominee Director Retail Markets*

**CAROLINE PISCIUNERI** - *Nominee Director Wholesale Market*

**STEVE PELLIZZER** - *Nominee Director Flower Market*

**BILLY LEE** - *Nominee Director Growers*



## SENIOR MANAGEMENT (L-R)

**FIROZ ALI** - *Site Services Manager*

**NED TESIC** - *Public Relations and Brand Manager*

**MICHAEL GOLDEN** - *Chief Financial Officer / Company Secretary*

**BRADLEY LATHAM** - *Chief Executive Officer*

**SHANE CHESTER** - *Head of Special Projects*

**JOHN PASCUCCI** - *Head of Operations*

**EFFIE STEFOS** - *Governance and Risk Compliance Manager*

# annual report contents

## 30 June 2023

### SYDNEY MARKETS LIMITED ABN 51 077 119 290 ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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### GENERAL INFORMATION

The financial report consists of the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes to the financial statements and Directors' declaration.

The financial statements cover Sydney Markets Limited as an individual entity. The financial statements are presented in Australian dollars, which is Sydney Markets Limited's functional and presentation currency.

Sydney Markets Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, Market Plaza Building  
Sydney Markets NSW 2129

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 October 2023. The Directors have the power to amend and reissue the financial statements.

# Sydney Markets Limited

# directors' report

## 30 June 2023

The Directors present their report, together with the financial statements, on the Sydney Markets Limited (referred to hereafter as the 'Company') for the year ended 30 June 2023.

### DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Mr Mario J. Messina (Acting Chairman from 5 September 2023)
- Mr David W. Hynes (Acting Chairman from 20 April 2023, resigned 4 September 2023)
- Mr John C. Pearson (Chairman, resigned 20 April 2023)
- Mr David J. Whiteman (resigned 26 September 2023)
- Mr Cosimo Cremona (resigned 20 July 2022)
- Mr Shaun M. McInerney
- Mr Samuel L. Lentini (resigned 20 July 2022)
- Mr Stephen Pellizzer
- Mrs Caroline J. Pisciueneri
- Mrs Meegan George (appointed 20 July 2022)
- Mr William W. Lee (appointed 20 July 2022)
- Mr Dale R. Doonan (appointed 26 September 2023)

### PRINCIPAL ACTIVITIES

The principal activities of Sydney Markets Limited during the financial year were to manage and administer the Sydney Markets at Flemington and Haymarket.

### DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

Sydney Markets Limited's policy, as disclosed in the Prospectus dated 16 February 1998, is that no dividends will be declared. In exceptional circumstances the Directors may elect to declare a dividend, however, the Directors do not currently envisage any circumstance giving rise to the declaration of a dividend.

The reason for Sydney Markets Limited's dividend policy is that, in the opinion of the Directors, all cash and other reserves will need to be maintained, invested and accumulated in order to fund the costs associated with the continuation of the Central Markets.

Following the purchase of the Sydney Markets site at Flemington from the NSW Government, the Board's policy has been to use any surplus cash resources to pay down its bank loan facility and for the purchase of key adjoining properties to allow for future expansion.

### REVIEW OF OPERATIONS

The profit for the Company after providing for income tax amounted to \$4,516,000 (30 June 2022: \$2,772,000).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year.

# Sydney Markets Limited

# directors' report

## 30 June 2023

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### ENVIRONMENTAL REGULATION

Sydney Markets Limited's operations are subject to significant environmental regulation under the laws of the Commonwealth and the State.

Sydney Markets Limited is subject to regulations under the *Environmental Protection Authority Act* in regards to the discharge of trade waste water and other liquid waste. Sydney Markets Limited engages independent and registered testing companies to continuously monitor the discharge of trade waste water and other liquid waste from the Flemington site. Sydney Markets Limited has complied with all the required regulations during the year ended 30 June 2023.

### INFORMATION ON DIRECTORS

<b>Name:</b>	Mr Mario J. Messina
<b>Title:</b>	Non-Executive Nominee Director - Retail Markets Acting Chairman from 5 September 2023
<b>Qualifications:</b>	Diploma - Marketing
<b>Experience and expertise:</b>	Board Member since 18 July 2012 Deputy Chairman from 16 August 2018 to 21 August 2019 Over 36 years' experience at Sydney Markets; Representative, Paddy's Advisory Committee Member of Council of Market Representatives from September 1999 to June 2012
<b>Special responsibilities:</b>	SML Committees - Environment, Strategic Plan, Innovation, Retail Markets, Operations
<b>Other Directorships:</b>	Director - Elite Physiotherapy Pty Ltd (resigned 31 October 2023)
<b>Interest in shares:</b>	8 Retail Markets Ordinary Shares
<b>Name:</b>	Mr Shaun M. McInerney
<b>Title:</b>	Non-Executive Expertise Director
<b>Experience and expertise:</b>	Board Member from 13 July 2011 to 15 July 2020 and from 15 September 2021 Deputy Chairman from 17 August 2016 to 16 August 2017 Over 41 years' experience in the fruit and vegetable industry
<b>Special responsibilities:</b>	SML Committees - Finance and Audit, Remuneration, Retail Markets
<b>Other Directorships:</b>	Director - Fresh Fellas Pty Ltd
<b>Interest in shares:</b>	8 Retail Markets Ordinary Shares, 4 Wholesale Market Ordinary Shares, 2 Warehouse Ordinary Shares and 1 Growers Market Ordinary Share

# Sydney Markets Limited

# directors' report

## 30 June 2023

### INFORMATION ON DIRECTORS

<b>Name:</b>	Mr Stephen Pellizzer
<b>Title:</b>	Non-Executive Nominee Director - Flower Markets
<b>Experience and expertise:</b>	Board Member since 15 July 2020 NSW Flower Growers Group Committee for 11 years, Treasurer for 8 years Member of Council of Market Representatives for 9 years
<b>Special responsibilities:</b>	SML Committees - Strategic Plan, Environment, Operations
<b>Other Directorships:</b>	Director - Dumont Rose Gardens Pty Ltd
<b>Interest in shares:</b>	3 Flower Market Ordinary Shares
<b>Name:</b>	Mrs Caroline J. Pisciuneri
<b>Title:</b>	Non-Executive Nominee Director - Wholesale
<b>Experience and expertise:</b>	Board Member since 15 July 2020
<b>Special responsibilities:</b>	SML Committees - Strategic Plan, Environment, Innovation, Operations, Retail Markets
<b>Other Directorships:</b>	Director - NSW Chamber of Fresh Produce Ltd, Director & Deputy Chairman - Sydney Markets Foundation, Director - Pisciuneri Investments Pty Ltd, Director & Company Secretary - ASP Super Pty Ltd, Company Secretary - Delrosa Pty Ltd, Company Secretary - Harvest Cove Pty Ltd, Company Secretary - Crisp Transport Pty Ltd, Company Secretary - All Seasons Produce Pty Ltd
<b>Interest in shares:</b>	1 Warehouse Ordinary Share
<b>Name:</b>	Mrs Meegan George (appointed 20 July 2022)
<b>Title:</b>	Non-Executive Director - Warehouses
<b>Qualifications:</b>	Certificate in Governance and Risk Management - Governance Institute of Australia Effective Director Course - Governance Institute of Australia Graduate, Company Directors Course - Australian Institute of Company Directors Diploma, Neuro Linguistic Programming - Quadrant 1, UK General Representative, Approved Person Status - Financial Services Authority, UK Graduate Conversion Course, Accounting Bachelor of Commerce, Banking & Finance
<b>Experience and expertise:</b>	Board Member since 20 July 2022
<b>Special responsibilities:</b>	SML Committees - Finance and Audit, Operations, Environment, Retail Markets
<b>Other Directorships:</b>	CEO - NSW Chamber of Fresh Produce Ltd (Freshmark), Director - Fresh Markets Australia, Director/CEO - Sydney Markets Foundation
<b>Interest in shares:</b>	Nil
<b>Name:</b>	Mr William W. Lee (appointed 20 July 2022)
<b>Title:</b>	Non-Executive Director - Growers Market
<b>Experience and expertise:</b>	Board Member since 20 July 2022 and 26 October 2011 to 17 June 2019 SML
<b>Special responsibilities:</b>	SML Committees - Innovation, Environment, Operations
<b>Other Directorships:</b>	Lee Bong Bros Pty Ltd
<b>Interest in shares:</b>	3 Retail Markets Ordinary Shares and 2 Growers Market Ordinary Shares

# Sydney Markets Limited

# directors' report

## 30 June 2023

### INFORMATION ON DIRECTORS

<b>Name:</b>	Mr Dale R. Doonan (appointed 26 September 2023)
<b>Title:</b>	Non-Executive Expertise Director
<b>Qualifications:</b>	Bachelor of Business Information Systems Master of Business Administration
<b>Experience and expertise:</b>	Board Member since 26 September 2023
<b>Special responsibilities:</b>	SML Committees – Finance & Audit, Innovation, Strategic Plan
<b>Other Directorships:</b>	Director - Walton Management Pty Ltd
<b>Interest in shares:</b>	Nil
<b>Name:</b>	Mr David W. Hynes
<b>Title:</b>	Non-Executive Independent Director
<b>Qualifications:</b>	B.Ec / LL.B
<b>Experience and expertise:</b>	Board Member from 2005 to 4 September 2023 Acting Chairman from 20 April 2023 to 4 September 2023 Deputy Chairman from 17 August 2011 to 15 August 2012, from 20 August 2014 to 19 August 2015 and from 19 August 2022 to 20 April 2023
<b>Special responsibilities:</b>	SML Committees - Finance and Audit, Remuneration, Strategic Plan, Retail Markets, Innovation
<b>Name:</b>	Mr John C. Pearson (resigned 20 April 2023)
<b>Title:</b>	Non-Executive Independent Director and Chairman
<b>Experience and expertise:</b>	Board Member from 2003 to 20 April 2023 Deputy Chairman from September 2004 to May 2005 Chairman from 18 May 2005 to 20 April 2023 Experienced and successful finance executive with significant banking, building society and management exposure at senior levels
<b>Special responsibilities:</b>	SML Committees - Finance and Audit, Remuneration, Strategic Plan, Retail Markets, Innovation
<b>Name:</b>	Mr David J. Whiteman (resigned 26 September 2023)
<b>Title:</b>	Non-Executive Expertise Director
<b>Qualifications:</b>	BA majoring in Economics & Financial Studies
<b>Experience and expertise:</b>	Board Member from 19 August 2015 and from 21 July 2004 to 17 July 2013 Deputy Chairman from 23 July 2009 to 25 August 2010 and from 18 August 2021 to 17 August 2022 Over 53 years' experience in the fruit and vegetable industry
<b>Special responsibilities:</b>	SML Committees - Finance and Audit, Innovation, Strategic Plan

# Sydney Markets Limited

## directors' report

### 30 June 2023

#### INFORMATION ON DIRECTORS

**Name:** Mr Cosimo Cremona (resigned 20 July 2022)  
**Title:** Non-Executive Nominee Director - Warehouses  
**Experience and expertise:** Board Member from 17 July 2013 to 20 July 2022 and from 24 July 2002 to 13 July 2011  
 Deputy Chairman from 17 May 2006 to 22 August 2007 and from 21 August 2019 to 19 August 2020  
 Over 43 years' experience in the fruit and vegetable industry; Member of the Lions Club, Sydney Markets

**Name:** Mr Samuel L. Lentini (resigned 20 July 2022)  
**Title:** Non-Executive Nominee Director - Growers Market  
**Experience and expertise:** Board Member from 17 July 2019 to 20 July 2022  
 Over 23 years' experience at Sydney Markets  
**Special responsibilities:** SML Committees - Innovation

#### COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

##### Mr Michael Golden

Mr Michael Golden has over 23 years' experience in Chief Financial Officer role. He is a Fellow of the Institute of Public Accountants and a Chartered Tax Adviser of the Taxation Institute of Australia.

#### MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Finance & Audit Committee	
	Attended	Held	Attended	Held
Mr John C. Pearson	6	10	5	6
Mr David J. Whiteman	9	10	6	6
Mr Cosimo Cremona	-	10	-	-
Mr David W. Hynes	9	10	1	6
Mr Shaun M. McInerney	9	10	-	-
Mr Mario J. Messina	10	10	-	-
Mr Samuel L. Lentini	-	10	-	-
Mr Stephen Pellizzer	10	10	-	-
Mrs Caroline J. Pisciueneri	9	10	-	-
Mrs Meegan George	10	10	4	6
Mr William W. Lee	9	10	-	-
Mr Dale R. Doonan	-	-	-	-

Held: represents the number of meetings held during the time the Director held office.

# Sydney Markets Limited

# directors' report

## 30 June 2023

### SHARES UNDER OPTION

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

### SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

### INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### PROCEEDINGS ON BEHALF OF THE COMPANY

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

### ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.



**Mr Mario J. Messina**  
Acting Chairman



**Mr Dale R. Doonan**  
Director

30 October 2023  
Sydney

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

We are pleased to present the Sydney Markets Limited (SML) Annual Report for 2022/2023.

### Retirement of SML Chair, John Pearson

One of the most significant matters that occurred during the reporting period was the retirement of SML's long-serving Chairman, Mr John Pearson.

John Pearson retired in April 2023 after twenty years of contribution to the Sydney Markets Limited Board, 18 years as Chairman.

John led the Board through some of the most challenging times in recent history, including the global financial crisis and the COVID-19 pandemic.

We sincerely thank him for his exceptional dedication and contribution to the Company, to the Markets and to the Industry.

At the time of writing, Mr Mario Messina is serving as Acting Chair until a new permanent Chair is appointed.

Professional Director recruitment firm Directors Australia has been appointed to assist SML in the process of identifying potential candidates with the essential attributes, skills and experience required for this important role and we look forward to announcing the Chairperson for SML.

### General

The Sydney Markets community has continued to face many challenges over the past year, including the recurrence of flooding in the Greater Sydney area and throughout the Eastern states of Australia in June/July 2022, escalating interest rates and electricity costs and an overall increase in the cost of running businesses.

The ongoing resilience and resolve of Sydney Markets stakeholders in working through these and many other obstacles are key to ensuring the best quality fresh produce, flowers and retail goods continue to be available to customers throughout Sydney, NSW and Australia.

On behalf of the Board, Management and Staff, we would like to sincerely thank all stakeholders for your continuing collaboration and support which helps us to ensure the Markets remain safe and maintain Sydney Markets' highly regarded reputation, both domestically and internationally, as one of the most successful wholesale fruit, vegetable, flower and retail Markets in the world.

The safety and wellbeing of everyone who comes to Sydney Markets continues to be of the utmost importance to the Board, Management and Staff of Sydney Markets Limited.

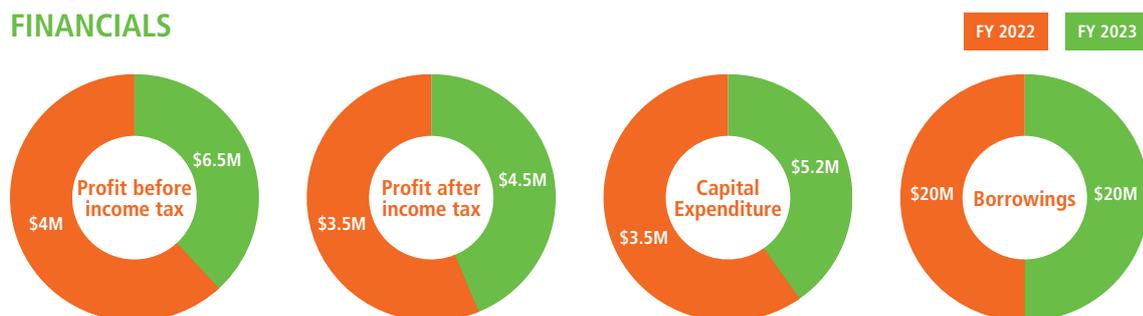
While the challenging economic situation continues to impact the Company's financial performance, the Sydney Markets Team have developed and implemented various strategies to ensure we can continue to maintain and improve our sites so that all Market stakeholders can operate their businesses effectively and efficiently.

Our plans and strategies are adaptable and are adjusted wherever necessary, and our communications to stakeholders and the public remain clear and candid.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### FINANCIALS



- **Profit before income tax was \$6.5 million.**
- **Profit after tax of \$4.5 million.** The increase in net profit compared to previous year was achieved through the introduction of new revenue initiatives, receipt of Land Tax rebate relating to COVID-19 rent relief provided to tenants and removal of COVID-19 rent relief measures
- **Total capital expenditure for 2022-2023 was \$5.2 million.** This was driven by construction costs for the new Warehouse I and implementation of the SML Hub (Trader Portal).
- **Borrowings remained at \$20 million.**

### STRATEGIC

#### Strategic Plan 2022-2027

Following is an update on the Strategic Imperatives under SML's Strategic Plan for the period from 2022 to 2027:

IMPERATIVE 1	
	Maximise the efficiency, effectiveness and financial & environmental sustainability of both the Flemington and Haymarket sites.

#### Sydney Markets Master Plan Projects

There are a number of projects for site improvements and development of additional warehouse space on the Flemington site under this Strategic Imperative. Following is an update on four of these projects that have been prioritised.

- **New Warehouse I – Northwest Precinct (Approx. timeframe 2023-2024)**  
2,600m<sup>2</sup> warehouse in the northwest precinct of the Markets, adjacent to Warehouse X, with parking underneath. Construction works for the new Warehouse I commenced in mid-November 2022 and the project is progressing well. The works include:
  - Demolition of part of the Car Sales Yard – *completed*.
  - Relocation of Hammersmith Road – *completed*.
  - Relocation of Public Shoppers Car Park – *completed*.
  - Construction of new parking area for Plaza Tenants & Staff – *completed*.
  - Excavation of site in preparation for construction – *completed*.
  - Construction of the base building works – *in progress*.

It is anticipated that the base building works will be completed by March 2024.

- **New Warehouse – Northeast Precinct (Approx. timeframe 2025-2026)**  
Two-Level Warehouse on land currently leased to Suttons Motors – 2,900m<sup>2</sup> Ground Floor Warehouse and 3,600m<sup>2</sup> Level One Warehouse.  
The possibility of obtaining change of usage/ zoning from 'Market Special Use' for the Parramatta Rd frontage between Potts St and Hammersmith Rd is being explored to include the potential for residential/ commercial construction along with other options for warehouse space.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- **New Warehouse – Western Precinct (Currently being evaluated)**

Extension of Car Park V to the North – 4,000m<sup>2</sup> ground floor Warehouse with opportunity for Cooking School and Permanent Retail Fresh Food Offer.

- **New Elevated Warehouse – Eastern Precinct (Currently being evaluated)**

Extension of Car Park Y to the North & South with approximately 12,000m<sup>2</sup> elevated warehouse space (single or multiple) on Level Two and 350-400 additional car parking spaces.

Other opportunities for additional warehousing are also being explored.

More information on these site maximisation projects and improving the efficiency and effectiveness of the site will be provided to all stakeholders as we progress.

## ENVIRONMENTAL

Reflecting in its role in the sustainable management and conservation of Australia's environment, SML is committed to minimising its ecological footprint by pursuing environmental best practice and the prevention of pollution in all operations.

### Waste Management Achievements

Following an extensive review of SML's Waste Strategy, a number of initiatives were introduced to address continuing significant cost increases by developing a fair and equitable user-pays model for waste management.

The waste and environmental portfolio represents the largest single cost to the business and requires all stakeholders to work together to achieve a positive outcome for the site and the environment.

SML would like to acknowledge the entire Sydney Markets community who have embraced our new Waste Policy initiatives which has resulted in significant savings to our business.

We're really pleased to report that with the cooperation of Market stakeholders since the start of the program, when compared to the same time last year,

- We have achieved an impressive 19% reduction in total waste volumes. This equates to 4,700 tonnes less waste compared to last year.
- Our combined efforts have resulted in a significant 20% decrease in General Waste, equivalent to a reduction of 1,900 tonnes.
- Through our collaboration with EarthPower, we have achieved an outstanding 64% reduction in organic waste delivery, eliminating a staggering 2,800 tonnes.
- Pallet recycling has increased by a massive 30% or 360 tonnes.
- Cardboard recycling now exceeds 1,800 tonnes per year.

These numbers are not only reducing costs but are having a positive effect on the environment. Also, the Market is noticeably cleaner and providing a much better working environment for everybody.

Whilst the numbers represent an outstanding achievement for which we should all be proud, there is still lots of work to do.

Our Green Point and Operations Teams will be increasing their focus on minimising waste and increasing recycling through closer engagement with our stakeholders and partners.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Additional initiatives are developed and implemented on an ongoing basis to assist our stakeholders, further improve waste management throughout the site and increase sustainability. Some examples include:

- Waste Patrol Staff conduct waste dumping audits and provide stakeholder waste education advice to source separate waste more efficiently.
- A dedicated team assists SML to collect, separate and recycle plain pallets around the site.
- Cardboard collection and plastic bin areas have been introduced in Building D for the Growers Market and Saturday Paddy's Market to encourage Traders to deposit packaging to reduce general waste.
- A digital screen has been installed at Green Point to further educate our stakeholders and inform them of current procedures.
- Waste Management Workshops have been held for Stakeholders to provide education and guidance on effective and efficient waste management.
- A Waste Management booklet has been issued to our Stakeholders for reference and an educational video distributed on the SML Trader App and social media.
- Waste Management functionality is now available for all Markets Tenants on the SML Hub.

Thank you for your cooperation for this portfolio. We're very proud of the achievements that have been reached to date and we will provide further updates over the coming months.

### Foodbank & Other Charities – Food Waste Collection

SML continues to support Foodbank, Australia's largest hunger relief organisation, and other food rescue charity organisations including SecondBite, Sydney Care, Reach Out, St Merkorious and various animal shelter organisations.

In the twelve months from July 2022 to June 2023 they collected approximately 1,200 tonnes of edible but surplus fruit and vegetables from Green Point and Market businesses that would otherwise be discarded.

### Assistance to NSW Farmers

The SML Green Point Team continues to provide assistance to NSW farmers by supplying organic waste to feed livestock. Between July 2022 and June 2023 Sydney Markets provided approximately 8,000 tonnes of organic waste through Green Point to more than 30 farmers.

This ongoing diversion helps to reduce the amount of organic waste sent to landfill and assists in improving our environmental sustainability.

#### IMPERATIVE 2

Continue purposeful implementation of innovation by embracing new technologies that measurably improve the performance of SML and the operating environment for our stakeholders.

### Innovation & Digital Technology Strategy

#### • SML Hub – Customer Relationship Management System and Trader Portal

This online self-service customer portal is accessible 24x7 to enable our stakeholders to access information relating to their business, conduct various transactions with SML and give them instant access to all SML resources.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Stage 1 of the rollout of the SML Hub has progressed. Phase 2 of the SML Hub was launched in April 2023. Information/training workshops have been provided for Market stakeholders and new functionalities have been introduced, including:

- Waste Management – Market Stakeholders can:
  - View individual waste limits based off the Waste Collection and Disposal Policy.
  - Access a digitised waste docket with details including the time and day the waste was dropped off, waste destination, the description and cost of each individual waste item and which property type waste limit it was against.
  - See real-time information regarding waste consumption against waste limits.
  - View waste consumption history
- Paddy's Change of Goods Sold - Paddy's Markets Retail Tenants are able to:
  - Apply to add or replace the categories of goods sold on their stands using the SML Hub.

An Animated Video Explainer is being created, designed to provide a visually engaging introduction to the SML Hub and highlight its new features as they are added.

This initiative aims to increase user engagement by providing a practical understanding of the platform's capabilities in line with the needs of the users.

A detailed user guide is also being developed, designed to assist customers in discovering and effectively utilising the system's features. This will serve as a valuable resource, offering step-by-step instructions and tips for navigating the platform.

- **Electronic Entry / Parking / Access Control Project**

The introduction of Electronic Entry, Parking and Access Control for the site is a high priority project for SML.

Following a comprehensive tender process, Watermelon/ParkIQ has been awarded the contract to provide both technology/hardware solution and management of the following services:

- Vehicle Entry
- Reserved and Unreserved Parking
- Access Control
- Buyers Passes
- Back-office process
- Staffing for compliance

At the time of writing, work is due to commence, and it is anticipated the project will be completed in approximately four to six months.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### IMPERATIVE 3

Further advance our capabilities as a Retail Markets Operator through the successful reinvention of the Paddy's Brand

### Paddy's Markets Business Analysis & Customer Surveys

Management has developed an Action Plan based on the outcomes from the comprehensive Business Analysis of Paddy's Markets Flemington and Haymarket undertaken during 2022.

SML has engaged a Retail Consultant/Specialist to assist with the implementation of the Business Analysis Action Plan to maximise stand occupancy and increase customer attendance.

### Paddy's Haymarket Masterplan

- **Paddy's Haymarket Key Tenant Strategy**

Plans for the introduction of a new Doltone Hospitality Group multi-purpose food and beverage marketplace and events venue precinct at Paddy's Markets Haymarket were granted Landlord approval by Market City in June 2023.

Landowner approval by Place Management NSW (PMNSW) was received and the Development Application (DA) Submission was lodged in August 2023 with the City of Sydney Council Planning Department for approval.

It is anticipated construction will take three to six months to complete once DA approval is granted.

This project also requires the relocation of some traders to new locations around the Market in accordance with our Occupancy Agreement. Management has been communicating and working closely with affected traders to ensure the relocation process is undertaken with minimum disruption.

This exciting new concept will create a vibrant, food focused precinct that will be a popular destination for local and international guests and will benefit all stakeholders by bringing the Market back to almost 100% stand occupancy, as well as attracting many more customers and reinvigorating the Paddy's brand.

We appreciate the co-operation of our stakeholders during the rollout of this project.

Further information will be provided to stakeholders as this project progresses.

### Paddy's Flemington Strategy

Under the Paddy's Flemington Strategic Plan, initiatives continue to be developed and implemented aimed at improving occupancy rates on Friday and Sunday, whilst reinforcing the strong trade of the Saturday Paddy's Fresh Food Market.

Independent consultants have been engaged to assist Management with the implementation of Key Initiatives for the Action Plan developed for the Paddy's Flemington Strategy.

The Action Plan includes short, medium and long-term initiatives to provide new revenue opportunities, growth of existing categories and future planning.

### Paddy's Flemington Entry/Parking Fee

Effective from Friday 5th January 2024, a \$5.00 Entry/Parking Fee will apply for customers attending our Paddy's Flemington operations on Fridays, Saturdays, and Sundays.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The trading environment of our Paddy's Markets brand has been very challenging, particularly since the onset of the COVID-19 pandemic. SML provided financial support to our Paddy's traders during this period through rental assistance amounting to \$3.8M.

Despite the financial assistance provided, costs associated with managing, maintaining, and cleaning the site have continued to increase substantially which has resulted in all our Paddy's operations trading at a loss. This has had a detrimental effect on SML's overall financial position.

Examples of cost increases over the past 5 years are outlined below:

- Cleaning and waste removal charges have increased by around 36%, which equates to a massive cost of almost \$3 million p.a.
- Council Rates are expected to increase by 35% this year, with further increases to 100% across the next four years.
- Overall insurance costs will increase by 22% this year.

For the Paddy's brand to continue trading in its current form, SML's focus is to return the Paddy's model back into profit which will benefit SML's overall financial position.

The introduction of an Entry/Parking Fee will do this and is in line with SML's Strategic Imperative to ensure the financial viability of Sydney Markets Limited.

In addition, this will also bring our Retail Markets sector closer into alignment with our Wholesale Markets sector where a daily Entry/Parking Fee of \$11 is charged from Monday to Friday.

We understand that introducing an Entry/Parking Fee is a significant change, and we sincerely appreciate your understanding and your cooperation as we navigate these challenging times together. Our focus is and will remain to maintain a vibrant and flourishing Paddy's brand that benefits each and every one of us.

A detailed roll out plan will be communicated to all traders shortly.

### IMPERATIVE 4

Successfully expand the SML footprint in Western Sydney in the vicinity of the new Western Sydney Aerotropolis

### Future Market Opportunities

In line with this Strategic Imperative, Sydney Markets continues to work with Government and significant landowners in Western Sydney to explore opportunities to secure the future of the Markets.

SML continues to pursue opportunities to expand operations to Western Sydney in proximity to the new Western Sydney Airport and realise potential business opportunities that may be of benefit to Sydney Markets in the future.

We have been consulting with many of our current Sydney Markets stakeholders to determine the level of interest in working collaboratively with SML towards establishing a shared offering as part of SML's vision for achieving a presence for Sydney Markets in Western Sydney. This process will help to inform concept planning and engagement with key stakeholders and Government in connection with this project.

The proposed expansion of Sydney Markets will augment the existing offerings in Flemington and Haymarket, directly responding to the needs of Sydney's growing and evolving population.

We will keep you informed on progress with updates and stakeholder information sessions and shareholder approval will be sought as we move forward through this exciting process.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### IMPERATIVE 5

Maximise the strength of the 'Sydney Markets' Brand

#### Branding Review Strategy

In 2022, Sydney Markets revealed a new corporate brand identity which includes a new logo based on the four seasons which highlights the vibrancy and freshness that epitomises Sydney Markets.

This new logo has been installed throughout our site including all Market entry points, directional signage, our multi-storey carparks and lifts, signage on our buildings, digital signage and our Sydney Markets Corporate Office.

#### Sydney Markets Site Beautification Project

In addition to the new Brand rollout under the branding strategy, SML is currently rolling out a series of initiatives for the overall beautification of the Sydney Markets Flemington site.

- Major signage on Buildings A, B, C, D & E has been redesigned and installed featuring the new branding for "Sydney Produce Market", "Sydney Growers Market" and "Sydney Flower Market".
- Painted lettering on the buildings throughout the site has been replaced.
- The new Sydney Markets logo has been placed across the Austin Avenue and Potts Street entrances as well as on the multi-storey carpark lifts.
- Large murals showcasing historical images of the Markets have been installed throughout Buildings A, B and C in our Sydney Produce Market.
- The old chain-link fencing around the site will be replaced through a phased in approach.

We will continue to enhance the overall aesthetic of the Market in stages over the coming months through signage, new fencing, painting, and other improvements.

### IMPERATIVE 6

Ensure the enduring financial viability of Sydney Markets Limited.

#### New Policies Implemented to Improve Financial Performance

A comprehensive review was undertaken to address the continuing significant cost increases borne by SML.

This resulted in the implementation the following four new policies effective from 1 July 2022:

- Waste Collection & Disposal Policy
- Portorage Pallet Lift Fee
- Paddy's Markets Non-Owner Operated Stands Policy
- Debtors Policy for Accounts in Arrears

Combined, these policies improved revenue by \$2M in 2022/2023.

As noted earlier in this report, the next initiative to improve financial performance will be the introduction of the Paddy's Flemington Entry/Parking Fee from 5th January 2024.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### CORPORATE

#### SML Directors

- Mrs Caroline Pisciueneri was re-elected as Wholesale Markets Nominee Director effective from July 2023.
- Mr Stephen Pellizzer was re-elected as Flower Market Nominee Director effective from July 2023.
- Mr Dale Doonan was elected as Expertise Director effective from September 2023.

These appointments are for a term of three years. We congratulate Mrs Pisciueneri, Mr Pellizzer and Mr Doonan on their appointments.

### MARKETING

#### The Fresh Awards

Over 400 people from the Sydney Markets community gathered on 7th July at the highly anticipated 2023 Fresh Awards Gala Event to celebrate and honour the achievements of the high performers in our industry, including Greengrocers, Florists, Growers, Wholesalers, Providores, Fresh Content Creators and for the first time, our Paddy's Markets Retailers with the newly introduced Paddy's People's Choice Awards.

The SML Team planned and coordinated this spectacular event with an 'Australiana' theme, celebrating the distinctive beauty that lies within our own country and the uniqueness that sets Australia apart.

Our thanks go to this year's Fresh Awards sponsors; Toyota Material Handling, ANZ Worldline Payment Solutions, and Markets Club from Holman Barnes Group.

SML congratulates all of the businesses and individuals who participated in the program, particularly those who made it through as finalists, and especially the winners in each of the 2023 Fresh Awards categories.

#### Fresh for Kids Program

For over 30 years, the Sydney Markets Fresh for Kids Program has been helping NSW school students choose the healthier choice at their school canteens. The program is now adapting to meet the needs of modern children. In this new phase, Fresh for Kids is moving into the classroom to bring cooking classes to the students.

We are pleased to advise that through an agreement between SML and Jamie Oliver Foundation, Sydney Markets for Fresh for Kids will become the Australian partner for Jamie Oliver's 'Learn Your Fruit and Veg' (LYFV) Cooking Classes.

Students are able to participate in cooking classes, with all produce sourced from Sydney Markets and/or a greengrocer.

Alongside the cooking classes, students are informed of the importance of the Central Market by being educated on the Farm-to-Plate journey, as well as being gifted an interactive magnet that also highlights their local greengrocers and 'what's in season' produce.

#### National Retailer Program - 'A Better Choice!' Campaign

While continuing to focus on our existing programs to engage and support greengrocers in NSW and ACT, SML have been involved with the National Retailer Program initiative 'A Better Choice!' for more than three years.

The National Retail Program "A Better Choice" is a joint initiative by the industry groups Fresh Markets Australia (FMA) and the Central Markets Association of Australia (CMAA). The program was established in 2017 to create coordinated messaging across Australia and leverage economies of scale, pooling resources to achieve greater reach to consumers.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The program has grown substantially since being established and now supports more than 800 independent fruit and vegetable retail shops across Australia with a retailer satisfaction rating for the program of 83%.

Supporting this program and promoting independent greengrocers demonstrates the recognition of their long-standing commitment to the Central Markets and helps sustain the viability of the sector for future generations.

### Live Cooking Demonstrations

SML has partnered with FoodLab Sydney, a not-for-profit organisation that supports food entrepreneurs from diverse backgrounds to grow their businesses. This partnership reinforces Sydney Markets' goal to nurture food businesses that complement the fresh produce industry.

As part of this partnership, the FoodLab cooks and chefs participate in regular weekly cooking demonstrations, free for the public to attend, hosted in the kitchens at Paddy's Markets Flemington and Haymarket.

Since partnering with FoodLab Sydney, a diverse range of cuisines have been presented that appeal to our Paddy's customers, including African, Syrian, Lebanese, Malaysian and Fijian cuisines which have been a success among our customers.

## SITE IMPROVEMENTS

### Site Infrastructure

A number of major projects are planned that will provide significant improvement to the Sydney Markets Flemington site and the trading environment.

### Sprinkling of Market Buildings

SML has commenced the staged installation of Sprinkler Systems in Wholesale Market buildings.

This project will be undertaken in two stages, with installation in Building E as Stage One currently in progress, and installation in Buildings A, B & C as Stage Two following completion of Stage One.

This initiative will provide benefits for both SML and Market Tenants:

- Helps to address one of the major challenges for Sydney Markets, limited space & logistics, by providing opportunity to increase the height of storage, maximising the available storage space in existing Buildings/Warehouses.
- Minimises the risk of damage to assets in case of fire.
- Assists with reducing insurance costs under SML's Industrial Special Risks Insurance Policies.

Updates will be provided to stakeholders as this project progresses.

### Additional Solar Installations On Site

There are currently Solar Systems installed at six locations around the Sydney Markets site that generate a total of 2.64MW of solar power.

SML is now investigating options for the installation of additional solar systems on as many buildings as possible across the whole site.

This initiative helps to improve SML's sustainability profile, reduces Sydney Markets' carbon footprint and benefits the environment.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### Electricity Supply to Market Tenants

The increasing cost of electricity for consumers and businesses alike has been well documented in recent months.

SML recognises the cost of electricity is a significant issue to Market Stakeholders and has a long-term purchase framework in place for the electricity supply for the Sydney Markets site.

This framework involves purchasing our electricity supply through a rolling three-year Flexible Wholesale Purchase Agreement. Under this agreement, SML purchases electricity supply in quarterly allotments to take advantage of low future cost prices rather than locking in the price upfront for the three-year term.

This strategy has proven successful, resulting in no increase to the electricity tariffs charged to our stakeholders for the past five years.

Our current Electricity Agreement was executed prior to the recent electricity market increases and will protect Sydney Markets businesses from hefty increases until 31 December 2023.

SML's Electricity tariff prices are anticipated to increase by 40% from January 2024 but we remain committed to providing electricity at the lowest price possible to our stakeholders. In order to provide some much needed financial relief, the Board recently resolved to provide 5% electricity discounts to all Tenants from 1 January 2024 – when SML's new electricity supply agreement commences.

### Repair and Maintenance Programs

To ensure both the Flemington and Haymarket sites continue to operate as efficiently and safely as possible for the benefit of all stakeholders, the SML Site Services Department carries out a wide range of ongoing Repair & Maintenance Programs.

When carrying out works under these programs it is sometimes necessary for the power supply to sections of the Market to be temporarily shut down. SML appreciates the cooperation of all Market Tenants in the coordination of these shutdowns.

## OPERATIONS

### WORK HEALTH AND SAFETY

SML treats matters of health and safety with the utmost importance at all times and dedicates significant time and resources into adopting and upholding safe work practices, as well as educating stakeholders.

We remain vigilant in enforcing Work Health and Safety laws and are in constant communication with SafeWork NSW, Roads & Maritime Services and the NSW Police to support those efforts.

SML staff undertake training on a regular basis for a range of Work Health and Safety related processes and procedures.

SML maintains ongoing communication and consultation with Market stakeholders on all aspects of Work Health and Safety.

- **SafeWork NSW Workshops**

In collaboration with SML, SafeWork NSW conducted workshops during April 2023 for Sydney Markets stakeholders, especially forklift drivers and those working around forklifts, to provide an opportunity to speak with industry experts and hear first-hand the impacts of workplace incidents.

- **Forklift Safety Awareness Sessions**

SML conducted a series of Forklift Safety Awareness sessions open to all stakeholders associated with the Market to provide comprehensive safety guidance specifically tailored to operating a forklift within the Markets site.

# joint message from the Acting Chairman & CEO

## JOINT MESSAGE FROM THE ACTING CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Valuable tips and practices were exchanged among the participants, highlighting pedestrian safety and the significance of making eye contact with pedestrians before driving past them to ensure safety within the Market.

Further sessions are scheduled during the coming months.

## OTHER NEWS

### Sydney Markets Foundation

The Sydney Markets Foundation Gala Dinner and 41st Annual Cherry Auction was held on 19 November 2022.

\$80,000 was raised for the Sydney Children's Hospital Foundation.

This was just one of the many worthy causes supported by the Foundation.

### Industry Participation

SML's focus on Industry participation continued over the past twelve months through attending a range of events, including:

- WUWM Conference – Abu Dhabi, United Arab Emirates – October 2022
- WUWM Asia-Pacific Regional Working Group Meeting – Abu Dhabi, United Arab Emirates – October 2022
- Hort Connections Conference – Adelaide – June 2023
- Joint FMA/CMAA Meetings – Adelaide – June 2023
- Asiafruit Congress / Asia Fruit Logistica – Hong Kong – September 2023
- WUWM Asia-Pacific Regional Working Group Meeting – Hong Kong – September 2023

In conclusion, we acknowledge the importance of the ongoing collaboration, participation and cooperation of all Stakeholders throughout the Sydney Markets community in the development, completion and implementation of the comprehensive range of initiatives, undertakings and achievements outlined above.

The Board, Management and Staff at SML highly value your assistance in helping Sydney Markets to continue operating as efficiently and as safely as possible.

Our sincere thanks go to our Directors, Management, staff and contractors and to all stakeholders, in particular those who give their time to represent on the Fresh for Kids Committee, the Council of Market Representatives and the Paddy's Advisory Committees.



**Mr Bradley Latham**  
Chief Executive Officer



**Mr Mario Messina**  
Acting Chairman

# Auditor's independence declaration



## Auditor's Independence Declaration

As lead auditor for the audit of Sydney Markets Limited for the 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; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'S Walsh', is written over a light blue horizontal line.

**Scott Walsh**  
Partner  
PricewaterhouseCoopers

30 October 2023  
Sydney

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# Auditor's independence declaration

## SYDNEY MARKETS LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$'000	2022 \$'000
<b>Revenue</b>	4	<b>63,509</b>	53,879
Other income	5	25	5,300
Interest revenue calculated using the effective interest method		311	-
<b>Expenses</b>			
Property cost		(25,109)	(26,082)
Payroll cost		(7,500)	(6,886)
Repairs and maintenance		(5,665)	(5,031)
Management and administration cost		(1,972)	(2,045)
Advertising and promotion		(4,017)	(2,896)
Professional fee		(2,664)	(2,391)
Depreciation expense	6	(7,285)	(7,429)
Finance costs	6	(3,180)	(2,433)
<b>Profit before income tax expense</b>		<b>6,453</b>	3,986
Income tax expense	7	(1,937)	(1,214)
<b>Profit after income tax expense for the year attributable to the owners of Sydney Markets Limited</b>		<b>4,516</b>	2,772
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Sydney Markets Limited</b>		<b>4,516</b>	2,772

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# Auditor's independence declaration

## SYDNEY MARKETS LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 \$'000	2022 (Restated) \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	16,153	13,418
Trade and other receivables	9	5,785	9,395
Total current assets		21,938	22,813
<b>Non-current assets</b>			
Property, plant and equipment	10	153,925	152,212
Right-of-use assets	11	30,588	32,424
Total non-current assets		184,513	184,636
<b>Total assets</b>		206,451	207,449
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	12,514	14,229
Current tax liability	14	3,230	277
Employee benefits	15	2,008	1,850
Lease liabilities	16	1,557	1,235
Other liabilities	17	7,251	10,711
Total current liabilities		26,560	28,302
<b>Non-current liabilities</b>			
Borrowings	18	20,000	20,000
Deferred tax liability	19	3,436	5,328
Employee benefits	15	103	183
Lease liabilities	16	43,165	44,965
Total non-current liabilities		66,704	70,476
<b>Total liabilities</b>		93,264	98,778
<b>Net assets</b>		113,187	108,671
<b>Equity</b>			
Issued capital	20	7	7
Retained profits		113,180	108,664
<b>Total equity</b>		113,187	108,671

Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

# Auditor's independence declaration

## SYDNEY MARKETS LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	7	109,796	109,803
Adjustment for correction of error (note 3)	-	(3,904)	(3,904)
Balance at 1 July 2021 - restated	7	105,892	105,899
Profit after income tax expense for the year	-	2,772	2,772
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	2,772	2,772
Balance at 30 June 2022 - restated	7	108,664	108,671

Refer to note 3 for detailed information on Restatement of comparatives.

	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022 - restated	7	108,664	108,671
Profit after income tax expense for the year	-	4,516	4,516
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	4,516	4,516
Balance at 30 June 2023	7	113,180	113,187

The above statement of changes in equity should be read in conjunction with the accompanying notes

# Auditor's independence declaration

## SYDNEY MARKETS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$'000	2022 (Restated) \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		63,903	58,706
Payments to suppliers and employees (inclusive of GST)		(48,848)	(48,692)
		<u>15,055</u>	<u>10,014</u>
Interest received		311	-
Interest and other finance costs paid		(3,180)	(2,433)
Income taxes paid		(876)	(470)
		<u>11,310</u>	<u>7,111</u>
Net cash from operating activities	29	<u>11,310</u>	<u>7,111</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	10	(7,225)	(3,898)
Proceeds from sale of assets held for sale		-	5,012
Proceeds from disposal of property, plant and equipment		128	44
		<u>(7,097)</u>	<u>1,158</u>
Net cash from/(used in) investing activities		<u>(7,097)</u>	<u>1,158</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(5,000)
Principal elements of lease liabilities		(1,478)	347
		<u>(1,478)</u>	<u>(4,653)</u>
Net cash used in financing activities		<u>(1,478)</u>	<u>(4,653)</u>
Net increase in cash and cash equivalents		2,735	3,616
Cash and cash equivalents at the beginning of the financial year		<u>13,418</u>	<u>9,802</u>
Cash and cash equivalents at the end of the financial year	8	<u>16,153</u>	<u>13,418</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

# notes to the financial statements

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### 30 June 2023

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# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

##### **Going concern**

As at 30 June 2023, the Company had a working capital deficiency of \$4.6 million (2022 (Restated): \$5.5 million). The Company has a net assets of \$113.2 million and recorded profit after tax of \$4.5 million (2022: \$2.8 million), as well as positive cash flows from operating activities of \$11.3 million (2022: \$7.1 million) for the year ended 30 June 2023. The Company has an unused bank loan facility of \$30 million (2022: \$30 million) as at 30 June 2023.

The Directors have reviewed the historical performance, forecast business plan and current financial position of the Company and consider that the Company will remain operating cash flow positive and have sufficient cash resources to make payments to suppliers as and when they fall due in the 12 month period from the date of this financial report. Accordingly, the financial report has been prepared on a going concern basis.

##### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for certain assets which, as noted, are at fair value.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

##### **Revenue recognition**

Revenue from providing services is recognised in the accounting period in which the services are rendered because the customer receives and uses the benefits simultaneously. Revenue from these services is recognised based on the price specified in the tenancy agreements.

Where the contracts include multiple performance obligations, transaction price will be allocated to each performance obligations based on the stand-alone selling prices. Where there are not directly observable, they are estimated based on the expected cost plus margin. A contract liability is recognised when rental and other income received in respect of periods subsequent to the reporting period.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### *Revenue from contracts with customers*

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### **Income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Australia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

##### Cash and cash equivalents

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

##### Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

##### Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### *Recognition and measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

#### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### **Fair value measurement**

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using quoted market prices or dealer quotes for similar instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Sydney Markets Limited for similar financial instruments.

#### **Property, plant and equipment**

Each class of property, plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Land is not depreciated. Depreciation on other assets, other than motor vehicles, is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in case of leasehold improvements, the shorter lease term. Motor vehicles are depreciated on a diminishing basis commencing from the date of acquisition. The depreciation rates used for each class of property, plant and equipment are:

Buildings	2.5%
Leasehold improvements	2.5%
Plant and equipment	2.5% - 50%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

#### Leases

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

# notes to the financial statements

## for the year ended

### 30 June 2023

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Sydney Markets Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company tests right-of-use assets for impairment where there is an indicator that the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### **Impairment of non-financial assets**

At each reporting date, Sydney Markets Limited reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

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

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

##### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

##### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

##### Finance costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

##### Provisions

Provisions are recognised when Sydney Markets Limited has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligations and the amount has been reliably estimated.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### **Employee benefits**

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### *Other long-term employee benefits*

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

##### *Post-employment obligations*

The Company pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **Issued capital**

Ordinary shares are classified as equity as they entitle the holder to a residual interest in the net assets of Sydney Markets Limited, in proportion to their respective tradeable space, so that each share is "stapled" to one unit of tradeable space.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Promotional levies

Promotional levies are monies derived from levies on tenants where the funds are allocated to the promotion of the relevant area of the Markets. Any unused portion of these levies is recorded as a liability until expended.

##### Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

##### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

#### NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

##### *Allowance for expected credit losses*

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the larger number of debtors, this assessment is based on supportable past collection history and historical write-offs of bad debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

##### *Impairment of non-financial assets*

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

##### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 3. RESTATEMENT OF COMPARATIVES

##### *Correction of error*

The Company has identified incorrect deferred tax calculations as at 30 June 2022 and previous balance dates. The relevant accounts have been restated for the comparative period. There is no impact on profit or loss for the year ended 30 June 2022.

*Statement of financial position at the beginning of the earliest comparative period*

Extract	2021 \$'000 Reported	\$'000 Adjustment	2021 \$'000 Restated
<b>Assets</b>			
<b>Current assets</b>			
Income tax refund due	701	(214)	487
Total current assets	<u>22,525</u>	<u>(214)</u>	<u>22,311</u>
<b>Total assets</b>	<u>210,736</u>	<u>(214)</u>	<u>210,522</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Income tax refund due	1,658	3,690	5,348
Total current assets	<u>73,008</u>	<u>3,690</u>	<u>76,698</u>
<b>Total liabilities</b>	<u>100,933</u>	<u>3,690</u>	<u>104,623</u>
<b>Net assets</b>	<u>109,803</u>	<u>(3,904)</u>	<u>105,899</u>
<b>Equity</b>			
Retained profits	<u>109,796</u>	<u>(3,904)</u>	<u>105,892</u>
<b>Total equity</b>	<u>109,803</u>	<u>(3,904)</u>	<u>105,899</u>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 3. RESTATEMENT OF COMPARATIVES (continued)

Statement of financial position at the end of the earliest comparative period

Extract	2022 \$'000 Reported	\$'000 Adjustment	2022 \$'000 Restated
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current tax liability	63	214	277
Total current liabilities	<u>28,088</u>	<u>214</u>	<u>28,302</u>
<b>Non-current liabilities</b>			
Deferred tax liability	1,638	3,690	5,328
Total non-current liabilities	<u>66,786</u>	<u>3,690</u>	<u>70,476</u>
<b>Total liabilities</b>	<u>94,874</u>	<u>3,904</u>	<u>98,778</u>
<b>Net assets</b>	<u>112,575</u>	<u>(3,904)</u>	<u>108,671</u>
<b>Equity</b>			
Retained profits	112,568	(3,904)	108,664
<b>Total equity</b>	<u>112,575</u>	<u>(3,904)</u>	<u>108,671</u>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 4. REVENUE

	2023 \$'000	2022 \$'000
<i>Revenue from contracts with customers</i>		
Rents	26,820	25,967
Dues and fees	16,999	11,448
Electricity, parking and entry and other	15,672	13,971
Advertising and promotions	2,164	1,164
Consideration on transfer of licences and leases	954	1,216
Other revenue	900	113
Revenue	<u>63,509</u>	<u>53,879</u>

#### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	2023 \$'000	2022 \$'000
<i>Geographical regions</i>		
Australia	<u>63,509</u>	<u>53,879</u>
<i>Timing of revenue recognition</i>		
At a point in time	2,541	2,148
Over time	<u>60,968</u>	<u>51,731</u>
	<u>63,509</u>	<u>53,879</u>

#### NOTE 5. OTHER INCOME

	2023 \$'000	2022 \$'000
Net gain on disposal of property, plant and equipment	25	3,630
Rent concession income	-	1,670
Other income	<u>25</u>	<u>5,300</u>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 6. EXPENSES

	2023 \$'000	2022 \$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	2,966	2,980
Leasehold improvements	319	231
Plant and equipment	2,164	2,383
Buildings right-of-use assets	1,836	1,835
Total depreciation	<u>7,285</u>	<u>7,429</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	1,145	376
Interest and finance charges paid/payable on lease liabilities 2,035 2,057	2,035	2,057
Finance costs expensed	<u>3,180</u>	<u>2,433</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense (note 24)	<u>543</u>	<u>524</u>

Property cost included in Expenses on the statement of profit or loss and other comprehensive income includes cleaning, electricity, insurance, security and other related expenses.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 7. INCOME TAX EXPENSE

	2023 \$'000	2022 \$'000
<i>Income tax expense</i>		
Current tax	3,829	1,234
Deferred tax - origination and reversal of temporary differences	(1,892)	(20)
Aggregate income tax expense	<u>1,937</u>	<u>1,214</u>
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax liabilities (note 19)	<u>(1,892)</u>	<u>(20)</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	<u>6,453</u>	<u>3,986</u>
Tax at the statutory tax rate of 30%	1,936	1,196
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	1	5
Adjustments from prior periods	<u>-</u>	<u>13</u>
Income tax expense	<u>1,937</u>	<u>1,214</u>

#### NOTE 8. CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
<i>Current assets</i>		
Cash at bank	<u>16,153</u>	<u>13,418</u>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 9. TRADE AND OTHER RECEIVABLES

	2023 \$'000	2022 \$'000
<i>Current assets</i>		
Trade receivables	3,787	2,361
Receivables invoiced in advance	(130)	4,043
Less: Allowance for expected credit losses	(279)	(888)
	3,378	5,516
Accrued income and other receivables	1,285	1,197
Prepayments	1,122	2,682
	2,407	3,879
	5,785	9,395

#### *Allowance for expected credit losses*

The Company has recognised a loss of \$279,000 (2022: \$1,095,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Movements in the allowance for expected credit losses are as follows:

	2023 \$'000	2022 \$'000
Opening balance	888	1,015
Additional provisions recognised	-	11
Provisions written off	(592)	-
Receivables written off during the year as uncollectible	(17)	(138)
	279	888

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables:

	2023 \$'000	2022 \$'000
Up to 3 months	130	474
Over 3 months	149	621
	279	1,095

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	2023 \$'000	2022 \$'000
<i>Non-current assets</i>		
Land - at cost	47,205	47,205
Buildings - at cost	119,186	118,546
Less: Accumulated depreciation	(37,893)	(34,907)
	<u>81,293</u>	<u>83,639</u>
Leasehold improvements - at cost	6,738	6,738
Less: Accumulated depreciation	(1,953)	(1,634)
	<u>4,785</u>	<u>5,104</u>
Plant and equipment - at cost	58,789	54,735
Less: Accumulated depreciation	(43,913)	(41,976)
	<u>14,876</u>	<u>12,759</u>
Capital work in progress	5,766	3,505
	<u>153,925</u>	<u>152,212</u>

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Balance at 1 July 2021	47,205	86,606	106	14,455	5,580	153,952
Additions	-	11	20	599	3,268	3,898
Disposals	-	2	-	(46)	-	(44)
Transfers in/(out)	-	-	5,209	134	(5,343)	-
Depreciation expense	-	(2,980)	(231)	(2,383)	-	(5,594)
Balance at 30 June 2022	47,205	83,639	5,104	12,759	3,505	152,212
Additions/adjustments	-	-	-	1,091	6,174	7,265
Disposals	-	-	-	(103)	-	(103)
Transfers in/(out)	-	620	-	3,293	(3,913)	-
Depreciation expense	-	(2,966)	(319)	(2,164)	-	(5,449)
Balance at 30 June 2023	47,205	81,293	4,785	14,876	5,766	153,925

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 11. RIGHT-OF-USE ASSETS

	2023 \$'000	2022 \$'000
<i>Non-current assets</i>		
Buildings - right-of-use	36,095	36,095
Less: Accumulated depreciation	(5,507)	(3,671)
	30,588	32,424

The Company's lease for the Paddy's Market Haymarket site is for a 40-year term expiring in 2040.

The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

#### *Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Buildings - right-of-use \$'000
Balance at 1 July 2021	34,259
Depreciation expense	(1,835)
Balance at 30 June 2022	32,424
Depreciation expense	(1,836)
Balance at 30 June 2023	30,588

*For other AASB 16 disclosures, refer to:*

- note 6 for interest on lease liabilities and other lease expenses;
- note 16 for lease liabilities at year-end and maturity analysis of future lease payments; and
- statement of cash flows for repayment of lease liabilities.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 12. DEFERRED TAX ASSET

	2023 \$'000	2022 (Restated) \$'000
<i>Non-current assets</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Leases	13,417	13,860
Provisions and accruals	5,047	3,408
Set-off of deferred tax liabilities pursuant to set-off provisions (note 19)	(18,464)	(17,268)
	<hr/>	<hr/>
Deferred tax asset	-	-
<i>Movements:</i>		
Opening balance	-	-
	<hr/>	<hr/>
Closing balance	-	-

#### NOTE 13. TRADE AND OTHER PAYABLES

	2023 \$'000	2022 \$'000
<i>Current liabilities</i>		
Trade payables	12,514	14,229
	<hr/>	<hr/>

Refer to note 22 for further information on financial risk management.

#### NOTE 14. CURRENT TAX LIABILITY

	2023 \$'000	2022 (Restated) \$'000
<i>Current liabilities</i>		
Provision for income tax	3,230	277
	<hr/>	<hr/>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 15. EMPLOYEE BENEFITS

	2023 \$'000	2022 \$'000
<i>Current liabilities</i>		
Annual leave	981	917
Long service leave	1,027	933
	<u>2,008</u>	<u>1,850</u>
<i>Non-current liabilities</i>		
Long service leave	103	183
	<u>2,111</u>	<u>2,033</u>

#### *Amounts not expected to be settled within the next 12 months*

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Company does not have an unconditional right to defer settlement. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2023 \$'000	2022 \$'000
Employee benefits obligation expected to be settled after 12 months	-	79

#### NOTE 16. LEASE LIABILITIES

	2023 \$'000	2022 \$'000
<i>Current liabilities</i>		
Lease liability	1,557	1,235
<i>Non-current liabilities</i>		
Lease liability	43,165	44,965
	<u>44,722</u>	<u>46,200</u>

Refer to note 22 for further information on financial risk management.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 17. OTHER LIABILITIES

	2023 \$'000	2022 \$'000
<i>Current liabilities</i>		
Contract liabilities - rent and other income received in advance	4,930	5,174
Rents and other income billed in advance	2,321	5,537
	7,251	10,711

Reconciliation of the contract liabilities at the beginning and end of the current and previous financial year are set out below:

	2023 \$'000	2022 \$'000
Opening balance	5,174	6,918
Payments received in advance	4,930	5,174
Rent in advance	(5,174)	(6,918)
	4,930	5,174

#### *Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$7,251,000 as at 30 June 2023 (\$10,711,000 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	2023 \$'000	2022 \$'000
Within 6 months	2,805	5,537
6 to 12 months	4,446	5,174
	7,251	10,711

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 18. BORROWINGS

	2023 \$'000	2022 \$'000
<i>Non-current liabilities</i>		
Commercial bill facility	20,000	20,000

Refer to note 22 for further information on financial risk management.

Sydney Markets Limited has a 3-year \$50 million loan facility (overdraft and commercial bill facility) secured by a mortgage over the land and buildings with a charge over the assets of Sydney Markets Limited, with quarterly interest payments and expiring in June 2026.

#### *Assets pledged as security*

The commercial bill facility is secured by first mortgages over the Company's land and buildings.

The commercial bill facility is also secured by a floating charge over the remaining assets of the Company.

#### *Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	2023 \$'000	2022 \$'000
Total facilities		
Commercial bill facility	50,000	50,000
Used at the reporting date		
Commercial bill facility	20,000	20,000
Unused at the reporting date		
Commercial bill facility	30,000	30,000

#### NOTE 19. DEFERRED TAX LIABILITY

	2023 \$'000	2022 (Restated) \$'000
<i>Non-current liabilities</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	12,388	12,388
Right-of-use assets	9,176	9,727
Prepayments	324	468
Intangible assets	13	13
Set-off of deferred tax assets pursuant to set-off provisions (note 12)	(18,464)	(17,268)

# notes to the financial statements

## for the year ended

### 30 June 2023

	2023 \$'000	2022 (Restated) \$'000
Deferred tax liability	3,436	5,328
Amount expected to be settled within 12 months	324	468
Amount expected to be settled after more than 12 months	3,112	4,860
	<u>3,436</u>	<u>5,328</u>
Movements:		
Opening balance	5,328	5,348
Credited to profit or loss (note 7)	(1,892)	(20)
	<u>3,436</u>	<u>5,328</u>
Closing balance	<u>3,436</u>	<u>5,328</u>

#### NOTE 20. ISSUED CAPITAL

	2023 Shares	2022 Shares	2023 \$'000	2022 \$'000
Ordinary shares - fully paid	<u>6,578</u>	<u>6,578</u>	<u>7</u>	<u>7</u>
The issued capital is composed of the following Ordinary Shares:				
Flowers Ordinary Shares	262	262	262	262
Growers Ordinary Shares	738	738	738	738
Retail Markets Ordinary Shares	5,060	5,060	5,060	5,060
Warehouse Ordinary Shares	268	268	268	268
Wholesale Ordinary Shares	250	250	250	250
	<u>6,578</u>	<u>6,578</u>	<u>6,578</u>	<u>6,578</u>

#### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2021	6,578		7
Balance	30 July 2021	6,578		7
Balance	30 July 2021	6,578		7

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 20. ISSUED CAPITAL (CONTINUED)

##### *Ordinary shares*

Each ordinary share of Sydney Markets Limited carries a right to vote, receive a dividend and participate in any surplus profit on a winding up in accordance with and determined by reference to the equity entitlement as set out in the Shareholders' Register.

Each share is irrevocably linked to the specific space within the Markets to which it relates and neither the share nor the space can be dealt with in any way without the other. The Retail Markets Ordinary Shares comprise two separate classes identified as "Flemington" and "Haymarket".

Shares not taken up by tenants are transferred to the Trustee, Perpetual Trustee Company Limited. The Trustee has no voting rights. Sydney Markets Limited has authorised share capital amounting to 200,000,000 ordinary shares of \$1.00 each.

##### *Capital risk management*

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Sydney Markets Limited controls its capital in order to maintain an appropriate debt to equity ratio and ensure that it can fund its operations and continue as a going concern.

The Directors have established a policy that all operating profits and reserves earned by Sydney Markets Limited will be maintained, invested and accumulated in order to fund the costs associated with the continuation of the Central Markets.

The Company's loan facility (commercial bill facility) with a major Australian bank provides ongoing funding, as long as Sydney Markets Limited continues to comply with financial covenants relating to a minimum EBITDA of \$9 million and net worth to total tangible assets ratio of 45% in the facility agreement. There have been no changes in the strategy adopted by Sydney Markets Limited to manage its capital since the prior year.

	2023 \$'000	2022 \$'000
Total borrowings	20,000	20,000
Less: cash and cash equivalents	(16,153)	(13,418)
Net debt	<u>3,847</u>	<u>6,582</u>
Total equity	<u>113,187</u>	<u>108,671</u>
Total capital	<u>117,034</u>	<u>115,253</u>

#### NOTE 21. DIVIDENDS

##### *Dividends*

There were no dividends paid, recommended or declared during the current or previous financial year.

Sydney Markets Limited's policy, as disclosed in the Prospectus dated 16 February 1998, is that no dividends will be declared. In exceptional circumstances the Directors may elect to declare a dividend, however, the Directors do not currently envisage any circumstance giving rise to the declaration of a dividend.

# notes to the financial statements

## for the year ended

### 30 June 2023

The reason for Sydney Markets Limited's dividend policy is that, in the opinion of the Directors, all cash and other reserves will need to be maintained, invested and accumulated in order to fund the costs associated with the continuation of the Central Markets.

#### Franking credits

	2023 \$'000	2022 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2022 30%)	59,576	58,701

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

## NOTE 22. FINANCIAL RISK MANAGEMENT

Sydney Markets Limited financial instruments consist of cash balances and short-term deposits with banks, commercial bills, trade receivables and trade payables. The main risks Sydney Markets Limited is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The Company manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

Primary responsibility for identification and control of financial risks rests with the Finance and Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below.

### Market risk

#### Foreign currency risk and price risk

The Company has no exposure to foreign currency nor equity securities price risk.

#### Interest rate risk

The Company regularly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

As at the reporting date, the Company had the following variable rate borrowings outstanding:

	2023 Balance \$'000	2022 Balance \$'000
Commercial bill facility	20,000	20,000
Net exposure to cash flow interest rate risk	20,000	20,000

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

At 30 June 2023, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit would have been affected as follows:

	Profit/(loss) +1% (100 basis points)		Profit/(loss) +1% (100 basis points)	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest expense	(140)	(140)	140	140

#### Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets (including trade receivables) of the Company that has been recognised on the balance sheet is the carrying value amount, net of any uncollectible receivables (measured on a collective basis).

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows, taking into account forecast capital expenditure and repairs and maintenance, and ensuring that adequate borrowing facilities are maintained.

#### Financing arrangements

Unused borrowing facilities at the reporting date:

	2023 \$'000	2022 \$'000
Commercial bill facility	30,000	30,000

The bank commercial bill may be drawn at any time. The bank loan facilities may be drawn at any time and have an average maturity of 3 years (2022: 3 years).

#### Remaining contractual maturities

The table below reflects undiscounted cash flows arising from all contractually fixed settlement terms for recognised financial liabilities as of 30 June 2023.

# notes to the financial statements

## for the year ended

### 30 June 2023

	Less than 6 months \$'000	Between 6 and 12 months \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>2023</b>					
<b>Non-derivatives</b>					
Trade and other payables	(12,514)	-	-	-	(12,514)
Interest bearing loans*	-	-	(20,000)	-	(20,000)
Lease liabilities	(1,756)	(1,768)	(14,453)	(47,152)	(65,129)
Total non-derivatives	(14,270)	(1,768)	(34,453)	(47,152)	(97,643)
<b>2022</b>					
<b>Non-derivatives</b>					
Trade and other payables	(14,229)	-	-	-	(14,229)
Interest bearing loans*	-	-	(20,000)	-	(20,000)
Lease liabilities	(1,721)	(1,733)	(17,796)	(46,675)	(67,925)
Total non-derivatives	(15,950)	(1,733)	(37,796)	(46,675)	(102,154)

\*These maturities are in line with the Company's strategy. The facilities were extended until June 2026.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

#### NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

##### Compensation

The compensation made to directors and other members of key management personnel of the Company is set out below:

	2023 \$	2022 \$
Short-term employee benefits	1,390,925	1,373,604
Post-employment benefits	134,734	126,037
	<u>1,525,659</u>	<u>1,499,641</u>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 24. RELATED PARTY TRANSACTIONS

##### *Key management personnel*

Disclosures relating to key management personnel are set out in note 23.

##### *Transactions with related parties*

The following transactions occurred with related parties:

	2023 \$	2022 \$
Sale of goods and services:		
Total income received or receivable by Sydney Markets Limited from director-related entities for rents, dues and fees (recognised in revenue)	468,121	513,625
Other transactions:		
Contributions to superannuation funds on behalf of employees	543,032	524,120

##### *Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2023 \$	2022 \$
Current receivables:		
Receivable from a former director	142,952	-

##### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

##### *Terms and conditions*

On 20 April 2023, Mr Pearson resigned as Chairman and a director of the Company and the Company made a retirement payment of \$143,000 to Mr Pearson. The Company subsequently identified that it may not be appropriate to make a retirement payment to Mr Pearson. After year end, Mr Pearson repaid the retirement payment of \$143,000. The amount paid to Mr Pearson originally as a retirement payment has therefore been recorded as a receivable as at 30 June 2023.

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 25. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Company:

	2023 \$	2022 \$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	239,000	229,500
Other assurance services	32,500	29,700
Total remuneration for audit and other assurance services	<u>271,500</u>	<u>259,200</u>
<i>Taxation services</i>		
Tax compliance services	<u>24,750</u>	<u>24,750</u>
<i>Other services</i>		
Assistance with financial statements preparation	-	16,400
Advisory services for the future of the market and other strategic projects	1,344,201	1,254,410
Total remuneration for other services	<u>1,344,201</u>	<u>1,270,810</u>
Total remuneration of PricewaterhouseCoopers	<u>1,640,451</u>	<u>1,554,760</u>

#### NOTE 26. CONTINGENT LIABILITIES

The Company had no contingent liabilities or assets at 30 June 2023 (2022: nil).

#### NOTE 27. COMMITMENTS

	2023 \$'000	2022 \$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable: Less than one year	<u>15,058</u>	<u>2,102</u>

# notes to the financial statements

## for the year ended

### 30 June 2023

#### NOTE 28. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

#### NOTE 29. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2023 \$'000	2022 \$'000
Profit after income tax expense for the year	4,516	2,772
Adjustments for:		
Depreciation	7,245	7,429
Net gain on disposal of non-current assets	(25)	(3,631)
Rent concession income	-	(1,669)
Loss allowance	-	11
Change in operating assets and liabilities:		
Decrease in trade and other receivables	3,610	1,235
Decrease in income tax refund due	-	701
Increase/(decrease) in trade and other payables	(1,959)	107
Increase in provision for income tax	2,953	63
Decrease in deferred tax liabilities	(1,892)	(20)
Increase in employee benefits	78	113
Decrease in other operating liabilities	(3,216)	-
Net cash from operating activities	11,310	7,111

# directors' declaration

30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



**MR MARIO J. MESSINA**  
Acting Chairman



**MR DALE R. DOONAN**  
Director

30 October 2023  
Sydney

# independent auditor's report

## 30 June 2023



### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYDNEY MARKETS LIMITED

#### Our opinion

In our opinion:

The accompanying financial report of Sydney Markets Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended
- b complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### *What we have audited*

The financial report comprises:

- the statement of financial position as at 30 June 2023
- the statement of profit or loss and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

#### *Independence*

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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Liability limited by a scheme approved under Professional Standards Legislation.

# independent auditor's report

30 June 2023

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the directors for the financial report**

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

PricewaterhouseCoopers



Scott Walsh  
Partner

Sydney  
30 October 2023



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