



# Annual Report

23 | 24

- Year in Review
- Chair's Message
- CEO's Report
- Leadership
- Corporate Governance
- Director's Declaration



# About STL

## Contents

Year in review	1
Chair's message	2
Chief Executive Officer's report	4
Leadership	6
Corporate governance statement	8
Directors' report	13
Auditor's independence declaration	18
Annual financial report 30 June 2024	19
Consolidated entity disclosure statement	38
Directors' declaration	39
Independent auditor's report	40
Shareholder information	44
Corporate directory	45

Front cover:  
Lucinda Wharf and Shiploader

STL provides sustainable and globally competitive storage and handling solutions for bulk sugar and other commodities through its assets located at the ports of Cairns, Mourilyan, Lucinda, Townsville, Mackay and Bundaberg.

STL is a vital component of Queensland's sugar industry, an industry that contributes \$3.8 billion in Gross Regional Product and employs more than 19,000 people in direct or indirect jobs.

STL's terminals received and outloaded just under 7.2 million tonnes of raw sugar during the financial year and provided 2.48 million tonnes of available storage capacity.

STL is publicly listed on the National Stock Exchange of Australia (NSX: SUG). It has a market capitalisation in excess of \$380 million and over 4,600 shareholders. Share ownership is restricted to sugar industry participants (growers and millers).

## Purpose

**To be a sustainable, globally competitive provider of storage and handling solutions for bulk sugar and other commodities.**

## Our values

We are passionate about being:

### Safe

A team that cares for people

### Sustainable

Responsible stewards of our assets and the environment, maintaining and creating long term value in the business

### Service Orientated

Focused on customer satisfaction, cost-efficiency, excellence and quality

### Innovative

Future-focused, always improving, flexible, responsive and transforming

### Independent

Equitable and honest, acting with integrity, providing open access



**This annual report for Sugar Terminals Limited (STL) is a summary of the Company's operations, activities and financial position for the year ended 30 June 2024. It complies with Australian reporting requirements and was authorised for issue by the Directors on 12 September 2024. The Directors have the power to amend and reissue the financial statements included in this report.**

STL (ABN 17 084 059 601) is a Company limited by shares and is incorporated and domiciled in Australia. Its registered office and principal place of business is Level 11, 348 Edward Street, Brisbane City, QLD, 4000.

References to the financial year or 'FY' are to the year ended 30 June. All dollar figures are expressed in Australian currency.

An electronic version of this report is available at [www.sugarterminals.com.au](http://www.sugarterminals.com.au). In consideration of the environment, printed copies of the annual report are only posted to shareholders who have requested a copy.

## Report objectives

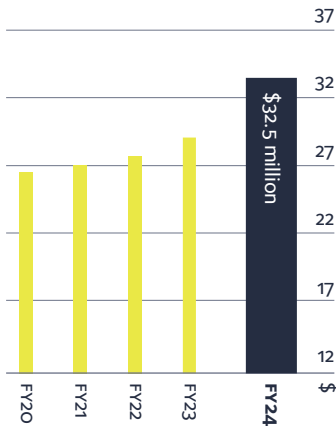
This annual report is provided for the benefit of STL's shareholders. It provides a clear and concise summary of STL's performance for the 2024 financial year and outlook for the year ahead. It meets STL's compliance and governance requirements and aims to build awareness of STL's operations and to explain the Company's performance against its stated purpose and values.

## Are you an Active Grower?

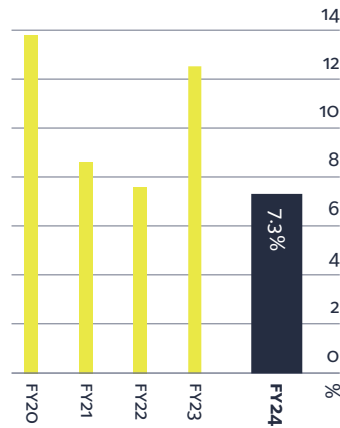
STL encourages increased ownership of the Company by active sugar cane growers and reminds any inactive G Class shareholders of their requirement to divest their shares as per STL's constitution.

STL's FY24 result is in line with its ongoing objective to achieve stable, reliable and sustainable returns to our shareholders, while ensuring competitive costs and reliable services to our customers.

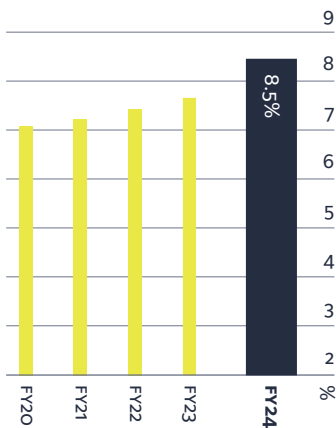
**Net profit after tax (NPAT)**  
(\$ millions)



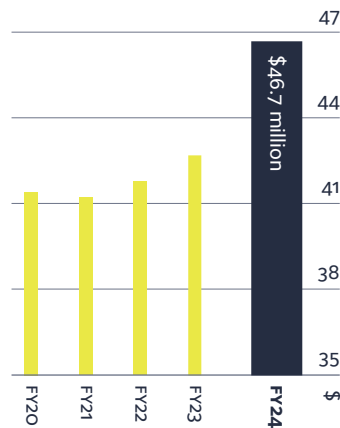
**Total shareholder return**  
(%)<sup>1</sup>



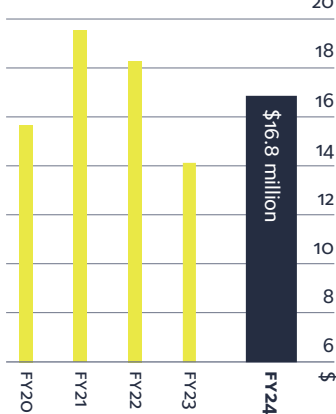
**Return on assets**  
(%)<sup>2</sup>



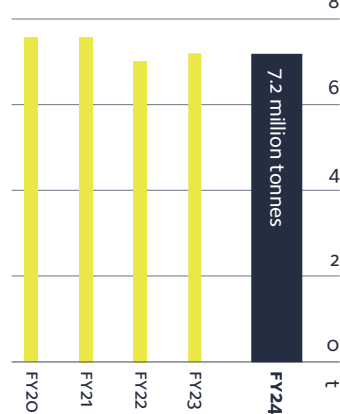
**Terminal activity charges**  
(\$ millions)<sup>3</sup>



**Capital investment**  
(\$ millions)



**Terminal throughput**  
(million tonnes – raw sugar only)



Recordable injuries

2



Environmental breaches

0



Train wagons received

42,393



Trucks received

38,845

Trucks dispatched

6,537



Sugar ships loaded

112

Molasses ships loaded

46

Non-sugar ships loaded

4

- 1 Full year movement in G Class share price plus dividends paid during the year, as a percentage of the share price at beginning of the year
- 2 Full year NPAT as a percentage of total assets as at 30 June
- 3 Activity charges to raw sugar customers, excluding insurance



STL has again produced strong financial results for the year ended 30 June 2024, while continuing to focus on improved operational performance, ongoing investment in these vital industry assets and delivering on our strategic objectives.

### Global market outlook

The Australian raw sugar industry continues to meet the challenges faced by any globally traded commodity. Throughout the financial year, the industry has remained resilient, not only in the face of challenging local weather conditions but also a further Mill closure in late 2023 and the vagaries of international pricing, to name just a few.

While sugar prices have come off their historic highs in December 2023, they appear to have now stabilised at a level that would only have been dreamt about in past years. In parallel however, inflationary pressures continue to impact producers and consumers across the global economy, and STL recognises that both millers and growers continue to experience significant cost impacts. As a result, we remain forever vigilant in driving cost efficiencies to benefit the industry.

Throughout the financial year, STL has consistently sought to fully meet all of its obligations to its customers and the sugar industry more generally through safe, efficient and reliable operations. Achieving our purpose of being a "...sustainable, globally competitive provider of storage and handling solutions for bulk sugar and other commodities..." has never been more important.

STL's ability to adapt and innovate is crucial in sustaining our long-term future and, in turn, supporting our customers to achieve their strategic objectives. Our focus remains on delivering the best value for industry over the long term.

### Sound financial position

The 2024 Financial Year has seen STL deliver a strong financial result, driven by our focus on improving operational performance, diversifying capabilities and adhering to our strategic objectives.

Despite a challenging economic landscape, STL has maintained a robust financial position. Of particular importance has been our disciplined approach to cost control whilst at the same time ensuring we satisfy all of our legal requirements and governance standards in a listed Company environment. Ultimately, this focus on costs and driving operational efficiency has been vital in managing these pressures and maintaining competitive pricing.

STL delivered a profit of \$32.5 million, an 11.4% increase boosted by non-sugar activity. This represents an 8.5% return on assets, measured primarily on a historical cost basis. However, on the basis of a depreciated optimised replacement cost (DORC) basis the return was in fact a modest 1.9%. Total revenue reached \$115.3 million, up 9.4% from FY23. Throughput exceeded 7.1 million tonnes. Further details on operations can be found in our Chief Executive Officer's report.

Given this favourable result, STL has decided to provide a one-off rebate on the activity charge of \$1.8 million (\$0.53 cents per tonne) which will be distributed amongst our 6 raw sugar customers based upon volumes received during the FY24 financial year. We acknowledge that this will impact our bottom line in FY25.

### Efficient operating environment

As all of our shareholders are no doubt aware, STL is focussed on transition activities as we head towards insourcing of terminal operations, which will take effect on 1 July 2026, if not sooner.

Whilst this is a key strategic initiative for STL, the ultimate beneficiaries will be all sugar industry stakeholders as it will enable a simplified and streamlined operating model that will remove unnecessary duplication, drive productivity improvements and deliver better cost outcomes for customers to boost international competitiveness.

**With STL taking full responsibility for terminal operations, it will usher in a new era of transparency and accountability for industry. For the first time ever, growers and millers will be able to see the real costs of operating our terminals and hold STL accountable for its performance.**





View of Lucinda Terminal

As outlined in my Chair’s Address at last year’s Annual General Meeting, once operations are insourced, we have committed to publishing:

- quarterly progress reports on maintenance spending compared with Budget
- quarterly updates on capital works expenditure compared with Budget
- more granular delay reporting (receival or shipping)
- enhanced safety reporting including, Near Miss Incidents and First Aid injuries
- product contamination incidents
- income diversification activities by Terminal
- sustainability objectives focussed around energy, fuel and water consumption
- key employee metrics

**STL will provide a greater level of transparency and accountability as it assumes full responsibility for terminal operations.**

### Income diversification

Just as many of our shareholders pursue diversification activities in their businesses, it is also important for STL that we seek to mitigate the impacts of reduced sugar volumes in certain locations by diversifying our operations where there are opportunities to do so. STL has consistently highlighted that sugar will always be our number one priority product. However, in some locations where volumes are under pressure, it simply makes good business sense to consider alternatives to supplement the declines. Further details of activities are outlined in the CEO’s Report.

### Inactive Growers

As all shareholders know, it has been a long-standing practice of the STL Board to constantly remind shareholders of their need to divest of their shares once they become inactive, consistent with the requirements of the Constitution.

Over the past 6 months in particular, these activities have materially increased following the establishment of an Inactive Grower Sub-Committee of the Board. The Committee has engaged in an extensive consultation program, including issuing updated Member Status Declaration forms to all shareholders.

This process will take some time to finalise, but from the feedback to date, it’s clear that in many cases, shareholders, both active and inactive, may need to update their financial affairs to ensure this process is effective.

STL is committed to ensuring the shares held by Inactive Growers are fairly and equitably re-allocated to active growers, especially those who may have no or small shareholdings, in order to promote a wider spread of ownership.

### Storage and Handling Agreement 2022

As Shareholders may be aware, STL recently reached an agreement with QSL Marketing, the one customer that had not signed the 2022 Storage and Handling Agreement (SHA). This has resulted in QSL Marketing executing the agreement and reimbursing STL for all outstanding monies.

We are pleased that QSL Marketing has now signed the agreement on identical terms as all other customers. As a key industry participant, STL is conscious that contractual disputes and other issues with Customers can result in significant costs for all parties which are ultimately borne by the industry. STL will always seek to work proactively to avoid unnecessary costs where possible for the overall benefit of our Customers, growers and shareholders.

### Acknowledgements

In conclusion, can I take this opportunity to thank my fellow Directors who have all demonstrated significant levels of leadership and commitment over the past 12 months in what has been a challenging but rewarding period. As you would expect, the Board takes its responsibilities very seriously to ensure that we at all times provide an effective cost-efficient storage and handling solution for our customers.

It’s also important to acknowledge the efforts of our CEO and his management team as they fulfil their own broad range of responsibilities to ensure we deliver for all stakeholders on a daily basis.

As we navigate the year ahead, STL remains focused on delivering value, driving improved efficiency and operating safely to ensure long-term success.

**Mark Gray**  
Chair

# Chief Executive Officer's Report

David Quinn CEO



Our focus on setting transparent performance targets reflects the importance of always looking to lift the bar in improving efficiency to maintain the competitiveness of Australian Raw Sugar industry.

## FY24 year in review

The 2024 financial year has been a period of robust financial and operational performance combined with solid progress towards achieving the significant strategic initiatives of STL. Our commitment to safety, operational excellence and sustainability has been evident across all aspects of our business.

## Safety and environmental performance

The safety and sustainability of the STL business is always at the forefront of what we do. Whilst there were two recordable injuries sustained during the year, pleasingly, we have been advised that both employees have since returned to full duties. We continue to closely monitor the performance of contractors and engage with the road transport operators around Chain of Responsibility obligations.

Minimising our impact on the environment is demonstrated in various ways, including but not limited to sweet water minimisation and irrigation activities, installation of more efficient conveyor drive motors and LED lighting to reduce operating costs and energy usage.

In the year ahead, we are exploring options around solar power generation, the use of biofuels and the viability of an electric-powered mobile plant. We also continue to invest in our assets to make them safer to operate, with measures ranging from conveyor guarding right through to multi-million dollar investments in electrical substations to ensure safety and plant reliability.

## Operational performance

We commenced the financial year with relatively low levels of sugar in the sheds driven by strong pricing and international demand. The 2023 crushing season was less productive than initially forecasted, with total throughput equating to 7.17 million tonnes. Over the course of the year, 112 sugar, 46 molasses and 4 non-sugar vessels were successfully loaded, and we received 42,393 rail wagons, 38,845 trucks and outloaded a further 6,537 trucks.

## Capital delivery and asset management

A key responsibility for STL is that we continue to invest prudently in these industry assets to ensure their longevity. Highlights for the year included the incident free replacement of the 12 km-long conveyor belt at Lucinda which was also completed without disruption to customers. Capital projects of this nature are critical in sustaining our long-term operational capability. Unfortunately, whilst a material investment was made, it was still well under the approved budget, so gaining better transparency and improved project management will be a focus area in the year ahead.

## Transition to terminal operations

A detailed project implementation plan to achieve this strategic objective is being followed, giving the industry confidence that the changeover will occur smoothly and without disruption. We look forward to increased engagement with our current operations contractor as each key milestone is progressively met as this is ultimately in all parties' best interests.

## Other activities that are already underway to achieve full responsibility for terminal operations include:

- 8 key workstreams identified and being progressed including human resources, ICT, finance and plant & equipment amongst others
- proposed establishment of a joint STL/QSL transition working group
- commenced assessment of finance system solutions
- evaluation of mobile plant & equipment
- ongoing review of permits and approvals
- assessment of employee transfer arrangements



Vessel loading Mackay BST

## Diversification at Bundaberg and beyond

STL successfully managed the construction and commissioning of the new Common User Infrastructure (CUI) at the Port of Bundaberg. Importantly, this was also achieved safely and on budget. It was 'wet commissioned' with a 22,000-tonne silica sand shipment in March 2024, and we are presently preparing for a further 30,000-tonne shipment in September 2024. We are currently in the process of extending the term of the Cairns Wharf Sublicence with the Navy, which will not only retain the priority of sugar vessels but also make a material contribution to the cost of maintaining the wharf infrastructure. Arrangements like this are a demonstration of diversification in action. We continue to examine a wide range of opportunities at other locations where it aligns with our strategic objectives.

## Engaging with shareholders and industry

This is a critical part of the CEO role and something I very much enjoy. Engaging first-hand with customers, shareholders and the broader sugar industry is hugely insightful. The 2024 financial year saw multiple stakeholder events extending from the far north through to Rocky Point. Many of these sessions involved Board members in all regions. STL has continued to internally publish a monthly e-newsletter (view and subscribe at [sugarterminals.com.au](http://sugarterminals.com.au)) to keep stakeholders informed, along with regular updates in industry journals and a further refresh of the STL website, which will shortly be relaunched.

As I have previously highlighted, I encourage all shareholders to reach out to me directly should you have any queries or comments, as your feedback is always valuable.

## Acknowledgements

In conclusion, can I thank the current and immediate past Directors for their unwavering support throughout the financial year. The insights they are able to provide as well as the realities faced beyond the farm gate have not only broadened my understanding of the industry but also guide the decisions we make.

I have also been very well supported by the small team at STL, who have often gone above and beyond to deliver high-quality, accurate and informative information vital to the safe and successful running of the STL business. For this, they deserve my thanks.

Can I also acknowledge those shareholders in particular who have reached out to me over the past 12 months. Sometimes we are in agreement, sometimes we may have a difference of opinion, but this feedback is invaluable in performing my role effectively.

In conclusion, can I wish all shareholders the very best for the current 2024 season, which will no doubt throw up its own unique challenges. Noting however the resilience that so many of you display, I'm confident in our collective ability to succeed.

**David Quinn**  
Chief Executive Officer

## Key success areas

### 1. Safety, health and environment

Meet our community, stakeholder and regulatory requirements

### 2. Customer service

Deliver on our promises to customers

### 3. Financial

Remain competitive and support the financial sustainability of the sugar industry

### 4. Asset stewardship

Manage the infrastructure to support STL's long-term future

### 5. Innovation and improvement

Implement commercial and operational best practice

### 6. Income diversification

Maximise the value generated by our assets

### 7. Working together

Develop effective strategic partnerships



## Board of Directors

### Mark (Alan) Gray

#### Independent Non-executive Chair

Appointed 7 March 2017

Mark is an accomplished Chair and Company Director. With a career spanning over 50 years, he is highly experienced across a range of corporate, government and community entities, encompassing an extensive range of board and executive appointments. He has previously held Chief Executive roles with the Queensland Treasury Department, the Queensland Competition Authority; and the Queensland Independent Commission of Audit, as well as senior executive roles with the Macquarie Group and BDO. Mark holds a Bachelor of Economics (First Class Honours) from the University of Queensland and an Honorary Doctorate from Griffith University. He is a Fellow of the Australian Institute of Company Directors (FAICD).

#### Current directorships/other interests:

Data#3: Chair.

Queensland Urban Utilities: Deputy Chair.

Royal Flying Doctor Service of Australia (Queensland Section): Deputy Chair.

Queensland Cricket: Non-executive Director.

Northern Australia Infrastructure Facility: Non-executive Director.

### Salvatore (Sam) Bonanno

#### Independent Non-executive Director

Appointed 7 March 2017

Sam is an independent Company Director with more than 40 years' experience in Australia and overseas. His executive roles with a leading global resource company encompassed strategic planning, commercial negotiations, operations management, asset management, project management, minerals processing, ports management and bulk supply chain management. Sam has a Bachelor of Engineering (Mechanical), an Advanced Diploma in Business Management and has completed the Supply Chain Management residential program at Stanford University, USA.

Sam is a Graduate Member of the AICD and is the Chair of STL's Safety, Risk & Sustainability Committee.

### Anthony (Tony) Bartolo

#### Non-executive Director appointed by G Class shareholders

Appointed 24 October 2018

Tony is a third-generation BMP accredited farmer with extensive experience in financial services and the sugar industry. He was a Partner of DGL Accountants (from 1999-2013), a former Director of Mackay Sugar Limited and is a current Director of Mackay Area Productivity Services. Tony is a graduate of the AICD, holds a Fellowship of CPA Australia, Bachelor of Commerce (UQ), and a Diploma of Financial Services (Financial Planning). He is also a Justice of the Peace.

Tony is a member of STL's Finance & Audit Committee and Inactive Grower Committee.

#### Current directorships/other interests:

Mackay Area Productivity Services: Director.

Tonbar QLD Pty Ltd: Director.

### Steven (Steve) Kirby

#### Non-executive Director appointed by G Class shareholders

Appointed 29 November 2023

Steve founded Australian Cane Farms (ACF) in 2005 and is currently ACF's Chief Executive Officer and Managing Director. ACF owns and operates 4,650 hectares of sugar cane farms in the Burdekin region, with an annual production of around 440,000 tonnes of sugar cane. Prior to this, Steve was a Director of NM Rothschild Australia. In his 16-year career (1989-2005) with NM Rothschild, Steve held various senior roles including, Head of Structured Finance and Head of Agribusiness. Steve is also a director of Benedict Industries, one of the largest integrated recycling businesses in Australia. Steve is a Chartered Accountant with over 20 years experience as a senior finance professional.

Steve is a member of STL's Safety, Risk & Sustainability Committee and Inactive Grower Committee

#### Current directorships/other interests:

Benedict Industries: Non-executive Director.

Australian Cane Farms: Managing Director.



# Management



**David Quinn**  
Chief Executive  
Officer  
Appointed 22  
October 2020

David is a highly regarded executive with more than 25 years' experience in private and public sector organisations, with a strong focus in the transport, logistics and shipping sectors. Previous roles included as inaugural CEO of Building Queensland as well as senior executive management roles with Linfox, Asciano Group (Patrick's and Pacific National), TasRail, GasNet Australia and BHP. David holds a Bachelor of Economics from the University of Queensland and Bachelor of Laws with Honours from the University of Melbourne. He was admitted as a Barrister and Solicitor in the Supreme Court of Victoria. David is also a Graduate Member of the AICD.



**Chris Wagner**  
Chief Financial  
Officer &  
Company Secretary  
Appointed 29 March  
2023

Chris has over 25 years' experience in ports and logistics in Queensland as well as, more recently, radio telecommunications. Prior to joining STL, Chris was the General Manager of RCS Telecommunications, overseeing their operations across the state. Before RCST, Chris was the Head of Finance with Pacific National in Queensland and with Patrick Stevedores overseeing the financial control of large-scale capital developments in both companies. Chris is a CPA and holds a Graduate Diploma in Advanced Accounting and a Bachelor of Business (Accounting).



**Richard Hughes**  
Assets & Engineering  
Manager  
Appointed 15  
March 2021

Richard has over 35 years of international experience in engineering design, construction and asset management for bulk materials handling facilities, heavy industry, transport and utilities. Prior to joining STL, Richard held engineering, project management and asset management roles with government agencies and consulting firms, including Urban Utilities, Gold Coast City Council and the predecessors of Aurecon and AECOM. Richard holds a Bachelor of Engineering and is a Chartered Professional Engineer, an RPEQ and a Certified ISO 55001 Asset Management Assessor.

## Mark Greenwood

### Non-executive Director appointed by M Class shareholders

Appointed 9 April 2024

Mark is General Manager Commercial for Wilmar Sugar and is responsible for sales and marketing as well as strategy and business development. His experience includes commercial negotiations, commercial disputes, detailed financial analysis, strategy and business development, and major capital projects. Mark's career includes roles with Santos, Citi, JP Morgan and Rio Tinto, and he has served as a Director of GLNG Operations, an unincorporated joint venture responsible for operating a liquefied natural gas plant. He holds a Bachelor of Chemical Engineering (Hons) and has over 30 years' experience across various industries.

Mark is a member of STL's Finance & Audit Committee.

## Leanne Muller

### Independent Non-executive Director

Appointed 6 December 2017

Leanne is a highly experienced finance executive with a 30-year career including senior corporate financial management roles and professional advisory services roles. She has previously worked as Chief Financial Officer (or equivalent) for RACQ, Uniting Care Queensland and Energex Limited. Prior to those appointments, Leanne worked for PricewaterhouseCoopers and with the Australian Securities and Investment Commission. Leanne holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants and Graduate Member of the AICD.

Leanne is Chair of STL's Finance & Audit Committee and Inactive Grower Committee.

### Current directorships/other interests:

Data#3: Non-executive Director.

Guide Dogs Queensland: Chair.

## Rohan Whitmee

### Non-executive Director appointed by M Class shareholders

Appointed 18 June 2021

Rohan is General Manager Procurement Purchasing and Supply for Wilmar Sugar. He is responsible for the commercial and contractual relationships with Wilmar Sugar's suppliers and engaging across all Wilmar-owned businesses in Australia and New Zealand as well as the global Wilmar Group. His experience includes engineering, commercial and management roles across industries including mining, infrastructure, aviation, FMCG and agriculture. He has worked in Australia, Indonesia and the US. Rohan holds a Bachelor of Mechanical Engineering (Hons), Bachelor of Economics from Monash University, and an MBA from Melbourne Business School. He is a Graduate Member of the AICD.

Rohan is a member of STL's Safety, Risk & Sustainability Committee and Inactive Grower Committee.

## STL is committed to good corporate governance, consistent with ASX governance principles.

STL's governance framework has evolved with the Company's development. It will continue to be refined in line with the eight principles of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th edition.

This corporate governance statement outlines STL's governance practices and policies and their compliance with the recommendations.

### Principle 1:

#### Lay solid foundations for management and oversight

*A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.*

##### Recommendation 1.1: Board Charter

STL's Board Charter provides detailed information on the operation of the Board and is available on the Company's website. The Board reviews its Charter every two years to ensure compliance with legislation and good governance practices. It is scheduled for review in late 2024.

The respective roles of STL's Board and its management are set out in the Board Charter. The Board is responsible for the overall direction and affairs of the business. Its role is to govern STL rather than to manage it and its main task is to set the strategic direction of the Company, and oversee the performance of the CEO and senior management. Senior management's role is to manage the Company in accordance with the directions and delegations of the Board.

The Chair oversees the conduct of the Board and its relations with shareholders and other stakeholders.

##### Recommendation 1.2: Appointments

STL carefully considers the character, experience, qualifications and skills of potential candidates for appointment as independent Directors of the Board and conducts appropriate checks to verify the suitability of candidates prior to their appointment.

STL uses a Director Application Form matrix highlighting the skills, knowledge, and experience necessary for an STL Director. It also summarises the Director's duties, including fiduciary duties, confidentiality obligations, and conflict of interest provisions. The Director Application Form is available on the Company's website.

STL provides material information relevant to a decision to elect or re-elect a Director in compliance with the requirements of the STL Constitution in the Notice of Meeting provided to all shareholders.

##### Recommendation 1.3: Written agreements

STL provides all Directors and senior executives with a written letter of appointment that sets out the terms of their appointment.

##### Recommendation 1.4: Company Secretary

STL's Company Secretary is accountable to the Board, through the Chair. The Company Secretary facilitates STL's corporate governance processes and is responsible for coordinating Board meetings and minutes, for communicating with regulatory bodies, and for all statutory and other filings.

##### Recommendation 1.5: Diversity policy

STL has a diversity and inclusion policy, which is available on the Company's website. The Company is committed to improving the diversity of its workforce.

##### Recommendation 1.6: Board performance

STL's Board recognises its responsibility to conduct regular evaluations of the performance of the Board and individual Directors. Each year, the Board's performance is evaluated against the requirements of the Board Charter and leading practice principles of good governance.

STL's policy is that the Board engages an independent firm with expertise in Board assessment every three years to facilitate the process. The external review includes the performance of the Chair, individual Directors and Board Committees.

The next review commenced in early 2024 and will be completed in the 2025 financial year.

##### Recommendation 1.7: Senior executive performance

STL's Board evaluates the performance of its senior executives annually against goals, targets and other key performance indicators determined by the Board.





Mourilyan Bulk Sugar Terminal

**Principle 2:**  
**Structure the board to be effective and add value**

*The board of a listed entity should be of an appropriate size and collectively have the skills, commitment, and knowledge of the entity and the industry in which it operates to enable it to discharge its duties effectively and add value.*

**Recommendation 2.1: Nomination committee**

The Board is responsible for succession planning and for identifying the character, experience, qualifications and skills required for any new independent Director appointed to the Board.

**Recommendation 2.2: Skills matrix**

STL discloses the profiles of its Directors on its website and in its annual report to shareholders. These profiles set out the skills, experience and qualifications of Directors. STL also provides material information relevant to a decision to elect or re-elect a Director in the Notice of Meeting provided to shareholders.

STL uses a Director Application Form matrix that highlights the skills, knowledge and experience necessary for an STL Director and provides a summary of Director duties. The Director Application Form is available on the Company’s website.

**Recommendation 2.3: Director independence**

STL discloses the names, length of service, qualifications and experience of all of its Directors on the Company’s website and in its annual report. As detailed in STL’s Constitution, all Directors have a legal obligation to disclose any material interest related to the Company’s business to the Board. STL has a formal Conflicts of Interest policy that outlines these legal obligations in more detail.

When an issue arises at a Board meeting relating to such an interest, the Board will discuss the matter and where relevant, will require the Director with the disclosed interest to leave the meeting. The matter will then be discussed further by the remaining non-conflicted Directors and any resolution will be made by the non-conflicted Directors.

The Director with the interest will be notified of any resolution following the finalisation of the meeting.

The Company Secretary maintains a Register of Conflicts of Interest.

**Recommendation 2.4: Number of independent directors**

STL’s Constitution requires that the number of Industry Directors appointed by its M Class and G Class shareholders be equal and exceed the number of Independent Directors by at least one.

For the entirety of FY24, STL’s Board of seven Directors comprised three Independent Directors, two Directors appointed by G Class shareholders and two Directors appointed by M Class shareholders.

**Recommendation 2.5: Independent Chair**

The Board Charter requires that STL appoint an independent, non-executive Director as Chair, and STL acts in accordance with the Charter. STL currently has an independent Chair.

**Recommendation 2.6: Director induction and professional development**

New Directors undergo a full induction into their role on the Board. STL has a Board Professional Development Policy that requires Directors to undertake the AICD course and successfully complete relevant assessments within 12 months of joining the Board (if they have not already done so). Directors are required to maintain relevant Director professional development as outlined by the AICD.



### Principle 3: Instil a culture of acting lawfully, ethically and responsibly

*A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.*

#### Recommendation 3.1: Values

In 2018, STL's Board adopted five core values for the business: Safe, Sustainable, Service Orientated, Innovative and Independent. These values reflect the qualities inherent in STL's purpose.

#### Recommendation 3.2: Board code of conduct

A Directors' code of conduct is included within STL's Board Charter, which is available on the Company website. Any breaches of the Code of Conduct are advised to the Board.

#### Recommendation 3.3: Whistleblower policy

STL's whistleblower policy is available on the Company's website. In accordance with this policy, the outcome of any whistleblower-related investigation must be reported to the STL Board, but the identity of the whistleblower must be kept confidential at all times.

#### Recommendation 3.4: Anti-bribery and corruption policy

STL's Code of Conduct describes the required behaviours and responsibilities of all STL Directors and employees. The Code of Conduct requires any issues related to bribery or corruption to be reported to the Board. The Code of Conduct is available on the Company's website.

### Principle 4: Safeguard the integrity of corporate reports

*A listed entity should have appropriate processes to verify the integrity of its corporate reports.*

#### Recommendation 4.1: Audit committee

STL's Board has a Finance and Audit Committee that comprises three non-executive Directors.

The Charter of the Committee and the qualifications and experience of Committee members are provided on the Company's website. Details regarding the number of Committee meetings held and member attendance are published in STL's annual report.

#### Recommendation 4.2: CEO & CFO declaration

The CEO and CFO each provide a statement to the Board with the half-year and annual reports to the effect that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

#### Recommendation 4.3: External audit

Independent auditors externally audit STL's half-year and annual reports. The process is overseen by the Board's Finance and Audit Committee and managed by STL's CFO.



### Principle 5:

#### Make timely and balanced disclosure

*A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.*

##### Recommendation 5.1: Disclosure policy

The Board's commitment to compliance with continuous disclosure under the NSX listing rules is contained within STL's Board Charter, which is available on the Company's website.

##### Recommendation 5.2: Distribution of material announcements

STL's Company Secretary ensures the Board receives copies of all market sensitive announcements as soon as they have been released to the NSX. Announcements are also published on the STL website.

##### Recommendation 5.3: Disclosure of new or substantive presentations

Presentations that provide new or substantive information about STL are released to the NSX and posted on the Company's website by the Company Secretary in a timely manner.

### Principle 6:

#### Respect the rights of security holders

*A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.*

##### Recommendation 6.1: Website

STL's Company Secretary provides information about the Company, its strategic direction and corporate governance via the the Company's website.

##### Recommendation 6.2: Investor relations program

STL's stakeholder engagement policy requires STL to allocate appropriate resources to give due consideration and respond to the concerns of its investors. STL commits to holding three STL Board meetings per year at its bulk sugar terminals and aims to visit each terminal within a two-year timeframe.

##### Recommendation 6.3: Shareholder participation

STL encourages shareholder attendance at general meetings and welcomes questions from investors. For those who cannot attend the meeting in person, meetings are webcast live to shareholders, and a recording of the webcast is posted to the STL website following the meeting. STL's Company Secretary publishes all materials released at the Annual General Meeting on the Company's website.

##### Recommendation 6.4: Substantive resolutions

All substantive resolutions at a meeting of STL security holders are decided by a poll.

##### Recommendation 6.5: Electronic communications

STL and its share registry manager, Link Market Services, provide all shareholders with the option to receive and send Company communications electronically.



Conveyor Belt Replacement Lucinda BST

### Principle 7:

#### Recognise and manage risk

*A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*

##### Recommendation 7.1: Risk committee(s)

STL's Board has a Safety, Risk, and Sustainability Committee, which is committed to safeguarding the people and environment associated with STL's operations. The Committee comprises three non-executive Directors.

The Charter of the Committee and the qualifications and experience of Committee members are available on the Company's website. Details regarding the number of Committee meetings and member attendance are published in STL's annual report.

##### Recommendation 7.2: Risk review

Through its Safety, Risk and Sustainability Committee, STL's Board ensures the Company has an appropriate risk management framework.

STL undertakes an annual review of strategy and operations to update its risk profile in line with the risk appetite set by the Board in conjunction with management.

##### Recommendation 7.3: Internal audit

STL's Board ensures that the Company has an appropriate risk management framework through its Safety, Risk and Sustainability Committee, which is responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes.

##### Recommendation 7.4: Material exposure to environment and social risks

STL assesses its material exposure to environmental and social risks through its risk management framework. Where STL has a material exposure to environmental and social risks, these are reported in STL's annual report.

### Principle 8:

#### Remunerate fairly and responsibly

*A listed entity should pay director remuneration sufficient to attract and retain high-quality directors and design its executive remuneration to attract, retain and motivate high-quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.*

##### Recommendation 8.1: Remuneration committee

The full Board is responsible for the functions associated with the remuneration of Directors and senior executives. Subject to ratification by the Board, the CEO is responsible for overseeing changes to remuneration arrangements, performance targets and assessments for Company employees.

##### Recommendation 8.2: Remuneration policies and practices

STL sets out its policies and practices for the remuneration of Directors and senior executives in its annual remuneration report, published within the Company's annual report.

##### Recommendation 8.3: Equity-based remuneration

STL's Constitution limits shares on issue by the Company to M Class shares and G Class shares. M Class shares can only be issued to Active Millers. G Class shares can only be issued to Active Growers. Due to these limitations, STL does not have an equity-based remuneration scheme.

## 1. Principal Activities

STL has a storage and handling agreement with all of its six raw sugar customers, which underpins its future operations. The terms and benefits of this agreement have been in effect since 1 July 2022. The agreement expires on 30 June 2025 and includes options for two further 12-month extensions. Consistent with the terms of this agreement, STL has reached out to its customers providing them with a right to exercise this option or otherwise.

STL also currently has an operating agreement with QSL as its key operations contractor. On 30 January 2023, STL announced its decision to insource the operations of its six bulk sugar terminals and therefore provided notice to QSL of its intention to terminate the operating agreement with effect from 30 June 2026 or earlier if mutually agreed. This decision was made in order to simplify the operating structure and better position STL to serve the sugar industry in the future by removing duplication, reducing costs, driving efficiencies and removing conflicts of interest in the current outsourced arrangements. Under the terms of the operating agreement, STL is seeking to engage with QSL on suitable transition arrangements.

## 2. Review of operations and financial performance

STL revenue for the year ended 30 June 2024 was \$115.3 million, 9.4% above last year (2023: \$105.5 million). The revenue from bulk sugar handling was \$112.1 million (2023: \$103.6 million), represented by revenue for availability charges and revenue from terminal activity and testing charges. Terminal activity and testing charges are a direct recovery, from customers, of costs incurred without margin or markup.

The profit attributable to STL shareholders has grown by 11.4% to \$32.5 million (2023: \$29.2 million). This result aligns with STL's ongoing objective to achieve stable, reliable and sustainable returns to our shareholders whilst ensuring competitive costs for customers.

Five-year comparative performance and financial position is summarised below.

### Comparative financial information

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Revenue from continuing operations	115,375	105,468	101,587	98,793	97,495
Profit attributable to shareholders	32,470	29,150	27,857	27,123	26,654
<b>Balance sheet</b>					
Current assets	37,712	34,750	28,648	32,893	39,158
Non-current assets	343,445	344,777	345,650	341,531	335,573
Current liabilities	(23,830)	(20,986)	(20,133)	(22,643)	(26,690)
Non-current liabilities	(17,132)	(19,863)	(17,277)	(16,470)	(13,933)
Net assets	340,195	338,678	336,888	335,311	334,108

## 3. Dividends

Dividends provided for or paid to members during the financial year were as follows:

	2024 \$'000	2023 \$'000
Final dividend for the year ended 30 June 2023 of 3.9 cents per share (2022 – 3.7 cents per share), fully franked based on tax paid of 30%, paid on 6 October 2023.	14,040	13,320
Interim dividend for the year ended 30 June 2024 of 4.0 cents per share (2023 – 3.9 cents per share), fully franked based on tax paid of 30%, paid on 5 April 2024.	14,400	14,040
	<b>28,440</b>	<b>27,360</b>

On 12 September 2024, the Directors determined that a final ordinary dividend of \$14.76 million (4.1 cents per fully paid share), fully franked based on tax paid at 30%, will be paid on 3 October 2024 to shareholders whose names are recorded on the Register on 27 September 2024.

## 4. Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Company's operations in future financial years, or
- the results of those operations in future financial years, or
- the Company's state of affairs in future financial years.

## 5. Environmental regulation

From 1 July 2017, STL has been responsible for the environmental impact of the terminals and maintains them via the operating agreement with QSL and the environmental licences issued under the *Environmental Protection Act 1994*.

## 6. Information on Directors and Company Secretary

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

Mr Mark (Alan) Gray  
 Mr Anthony (Tony) Bartolo  
 Mr Salvatore (Sam) Bonanno  
 Mr Stephen Calcagno<sup>1</sup>  
 Mr Ian Davies<sup>2</sup>  
 Mr Mark Greenwood<sup>3</sup>  
 Mr Steven (Steve) Kirby<sup>4</sup>  
 Ms Leanne Muller  
 Mr Rohan Whitmee

1 Mr Stephen Calcagno was a Director from the beginning of the period until his retirement on 22 November 2023.

2 Mr Ian Davies was a Director from the beginning of the period until his resignation on 9 February 2024.

3 Mr Mark Greenwood was appointed a Director on 9 April 2024 and continues as at the date of this report.

4 Mr Steven Kirby was appointed a Director on 29 November 2023 and continues as at the date of this report.

Mr Chris Wagner was appointed the Company Secretary on the 29 March 2023, but resigned effective 30 August 2024.

Further information on Directors and the Company Secretary is provided on pages 6 to 7.

## 7. Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

	Meetings of committees							
	Full meetings of Directors		Safety, Risk and Sustainability		Finance and Audit		Inactive Growers	
	A	B	A	B	A	B	A	B
<b>M Gray</b>	6	6	*	*	*	*	*	*
<b>A Bartolo</b>	6	6	*	*	3	3	3	3
<b>S Bonanno</b>	6	6	4	3	*	*	*	*
<b>S Calcagno</b>	2	2	2	2	*	*	*	*
<b>I Davies</b>	3	3	*	*	1	1	*	*
<b>M Greenwood</b>	2	2	*	*	1	1	*	*
<b>S Kirby</b>	4	4	1	1	*	*	3	2
<b>L Muller</b>	6	6	*	*	3	3	3	3
<b>R Whitmee</b>	6	6	4	4	*	*	3	3

A= Number of meetings the director was eligible to attend during the year.

B= Number of meetings attended.

\*= not a member of the relevant committee for the full year.

## 8. Remuneration report

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

### Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework aligns remuneration with the achievement of strategic objectives and the creation of value for shareholders. The Board ensures that remuneration satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management.

The Company has structured a remuneration framework that is market competitive and complementary to the reward strategy of the organisation. Directors are not eligible for performance bonuses.



## Non-executive Directors

Fees and payments to non-executive Directors reflect the duties and responsibilities of STL Directors. Non-executive Directors' fees are reviewed periodically by the Board. The last market review of independent Director fees was in 2017 in preparation for the new business model and the recruitment of additional independent Directors.

Directors are appointed for a term not exceeding 3 years, and each Director is subject to retirement by rotation in line with the constitution. A Director may only be appointed for a maximum of 3 consecutive terms. No notice is required for termination.

### Directors' fees

The Directors' remuneration is reviewed with effect from 1 July each year, as set out in the table below. Directors are not entitled to retirement allowances or termination payments.

Directors receive an additional fee to Chair a committee. There is no additional fee for any Director or the Chair to participate in a committee.

Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically subject to approval by shareholders. The maximum aggregate annual amount currently is \$550,000 approved by shareholders at the STL AGM on 21 October 2020.

The following fees per annum (inclusive of statutory superannuation) have applied:

	2024	2023
<b>Chair</b>	\$113,121	\$109,331
<b>Independent non-executive Directors</b>	\$67,872	\$65,599
<b>Non-executive Directors appointed by G &amp; M Class shareholders</b>	\$67,872	\$65,599
<b>Committee Chair Allowance</b>	\$5,485	\$5,301

### Executive pay

The CEO, CFO and Assets & Engineering Manager's employment contracts do not have a minimum term. The CEO's employment contract stipulates a 6 months notice of termination. Both the CFO and Assets & Engineering Manager's contracts of employment incorporate extended notice periods on termination.

The executive pay and reward framework has three components:

- base pay and benefits
- short-term performance incentives
- other remuneration such as superannuation.

### Base pay

Executives are offered a competitive base pay, which is reviewed annually to ensure the remuneration is in line with the market. In FY22, the Board commissioned an external benchmarking study of executive remuneration to assist in its assessment of the remuneration of key management personnel.

As at 30 June 2024, the fixed remuneration for the CEO is \$431,806 (inclusive of superannuation), the CFO is \$285,028 (inclusive of superannuation), and the Assets & Engineering Manager is \$244,423 (exclusive of superannuation). There are no guaranteed base pay increases fixed into management contracts.

### Benefits

A car parking benefit is provided to the CEO. No other benefits were paid during the year.

### Short-term incentives

Executive pay incorporates the opportunity to earn a short-term performance incentive (STI). Each year, the Board considers appropriate key performance indicators and financial and non-financial targets for executives and evaluates performance against these targets. STI payments may be adjusted according to achievements against the targets at the discretion of the Board.

The performance metrics are aligned with STL's 7 Key Success Areas: Safety, Customer Service, Asset Stewardship, Finance, Innovation & Improvement, Income Diversification and Working Together.

STI payments are made in cash net of PAYG withholding and are paid subsequent to the end of the financial year. If an executive ceases employment with STL during the year, all entitlements related to the measurement period are forfeited.

In FY24, the STI cash bonus plan for executives was based on performance against a number of key metrics, including financial and non-financial performance indicators. The executive's performance is assessed, and an appropriate measure is attributed to each performance metric. The following metrics were applied for the financial year:

- the CEO was entitled to a STI Bonus Plan of up to 40% of remuneration.
- the CFO was not entitled to receive a payment under the STI Bonus Plan due to resignation.
- the Assets & Engineering Manager was entitled to a STI Bonus Plan of up to 15% of remuneration.

Executive remuneration does not incorporate any long-term performance incentives.

The following table provides an overview of a number of factors affecting shareholder value over the past five years:

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Profit attributable to members of STL	<b>32,470</b>	29,150	27,857	27,123	26,654
Dividends (paid during the year)					
Final dividend relating to prior year	<b>14,040</b>	13,320	12,960	12,960	12,600
Interim dividend relating to current year	<b>14,400</b>	14,040	13,320	12,960	12,960
Earnings per share (basic)	<b>9.00</b>	8.10	7.74	7.53	7.40
Share price at 30 June (\$)	<b>\$1.08</b>	\$1.08	\$1.03	\$1.03	\$1.01

### Details of remuneration

Details of the remuneration of each Director and executives of STL are set out in the following tables.

2024	Short-term benefits					Post-employment benefits (Superannuation)	Total
	Cash salary and fees	Cash Bonus	Leave benefits <sup>1</sup>	Non-monetary benefits <sup>2</sup>	Other – termination benefit		
<i>Non-executive Directors</i>							
M Gray (Chair)	101,910	–	–	–	–	11,210	113,120
A Bartolo	61,147	–	–	–	–	6,726	67,873
S Bonanno	66,087	–	–	–	–	7,270	73,357
S Calcagno	25,973	–	–	–	–	2,857	28,830
I Davies <sup>3</sup>	41,866	–	–	–	–	–	41,866
M Greenwood <sup>3</sup>	15,083	–	–	–	–	–	15,083
S Kirby	35,669	–	–	–	–	3,924	39,593
L Muller	66,087	–	–	–	–	7,270	73,357
R Whitmee <sup>3</sup>	67,301	–	–	–	–	–	67,301
<b>Subtotal non-executive Directors</b>	<b>481,123</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>39,257</b>	<b>520,380</b>
<i>Executives</i>							
D Quinn	404,280	164,079	32,946	6,035	–	27,526	634,866
C Wagner	257,535	–	6,408	–	–	27,493	291,436
R Hughes	213,699	27,710	(5,231)	–	–	30,724	266,902
<b>Total</b>	<b>1,344,419</b>	<b>191,789</b>	<b>34,123</b>	<b>6,035</b>	<b>–</b>	<b>137,218</b>	<b>1,713,584</b>

2023	Short-term benefits					Post-employment benefits (Superannuation)	Total
	Cash salary and fees	Cash Bonus	Leave benefits <sup>1</sup>	Non-monetary benefits <sup>2</sup>	Other – termination benefit		
Name	\$	\$	\$	\$	\$	\$	\$
<i>Non-executive Directors</i>							
M Gray (Chair)	98,942	–	–	–	–	10,389	109,331
A Bartolo	59,366	–	–	–	–	6,233	65,599
S Bonanno	64,162	–	–	–	–	6,737	70,899
S Calcagno	59,366	–	–	–	–	6,233	65,599
I Davies	65,599	–	–	–	–	–	65,599
L Muller	64,162	–	–	–	–	6,737	70,899
R Whitmee	65,599	–	–	–	–	–	65,599
<b>Subtotal non-executive Directors</b>	<b>477,196</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36,329</b>	<b>513,525</b>
<i>Executives</i>							
D Quinn	365,032	149,163	24,038	6,561	–	27,500	572,294
P Bolton	254,600	–	(48,049)	–	–	26,991	233,542
R Hughes	202,130	18,593	10,059	–	–	29,162	259,944
C Wagner	48,771	–	4,085	–	–	4,750	57,606
<b>Total</b>	<b>1,347,729</b>	<b>167,756</b>	<b>(9,867)</b>	<b>6,561</b>	<b>–</b>	<b>124,732</b>	<b>1,636,911</b>

<sup>1</sup> Leave benefits includes the net movement of short-term benefit such as annual leave.

<sup>2</sup> Non-monetary benefits include car parking.

<sup>3</sup> Directors employer receives fees on behalf.

### Share-based compensation

The Company does not have a share-based compensation plan. Directors and executives do not have any rights to subscribe for equity or debt securities of the Company.

### Equity instrument disclosures relating to key management personnel – Shareholdings

The number of ordinary shares in the Company held during the financial year by each Director and other key management personnel of the Company, including their related parties and personally related entities, are set out below. No shares were granted during the reporting period as compensation.

#### Additional information

There are no loans to Directors or executives.

\* End of remuneration report

## 9. Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

At the STL 2022 AGM held on the 26th October 2022, shareholders elected to appoint BDO as STL's auditor following a tender process undertaken by STL. Price Waterhouse Coopers (PwC) received consent from ASIC to resign as auditor of STL as of 26th October 2022.

Details of the amounts paid or payable to the auditors PricewaterhouseCoopers and BDO for non-audit services provided during the year are set out below:

	2024	2023
	\$	\$
<b>Non-audit services</b>		
PwC Australian firm:		
Accounting and taxation advice:	–	24,684
Training services:	–	2,500
<b>Total PwC non-audit services</b>	<b>–</b>	<b>27,184</b>
BDO Australian firm:		
Other assurance services	<b>14,578</b>	–
<b>Total BDO non-audit services</b>	<b>14,578</b>	–

## 10. 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 on page 18.

## 11. Insurance of officers

Premiums have been paid in respect of policies of insurance for current and former directors and officers. Disclosure of the nature of the liabilities insured by these contracts and the premiums paid under these contracts of insurance is prohibited by the terms of the contracts.

## 12. Proceedings on behalf of 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.

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

## 13. Rounding of amounts

STL is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

## 14. Auditor

Following its appointment as the Company auditor at the AGM held on the 26 October 2022, BDO continues in office in accordance with Section 327 of the *Corporations Act 2001*.



Mark Gray  
Chair

Brisbane  
12 September 2024

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



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Australia

**DECLARATION OF INDEPENDENCE BY C K HENRY TO THE DIRECTORS OF SUGAR TERMINALS LIMITED**

As lead auditor of Sugar Terminals Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

**C K Henry**  
Director

**BDO Audit Pty Ltd**

Brisbane, 12 September 2024

# Annual financial report

18 | 19

## Financial statements

Statement of profit or loss and other comprehensive income	20
Statement of financial position	21
Statement of changes in equity	22
Statement of cash flows	23

## Notes to financial statements

About this report	24
-------------------	----

### Performance

1 Segment information	25
2 Revenue	25
3 Expenses	26
4 Income tax	26
5 Earnings per share	27

### Assets and liabilities

6 Cash and cash equivalents	27
7 Other financial assets	28
8 Trade and other receivables	28
9 Property, plant and equipment	29
10 Intangible assets	30
11 Leases	30
12 Trade and other payables	32
13 Deferred tax liabilities	32

### Capital structure and risk management

14 Capital management	33
15 Contributed equity	33
16 Financial risk management	34

### Unrecognised items

17 Contingent liabilities	35
18 Commitments	35
19 Events occurring after reporting date	35

### Further details

20 Related party transactions	35
21 Remuneration of auditors	36
22 Economic dependency	36
23 Reconciliation of profit after income tax to net cash inflow from operating activities	37

Consolidated entity disclosure statement	38
Directors' declaration	39
Independent auditor's report	40

30 June 2024

STL ANNUAL REPORT 2023 - 2024

# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Revenue</b>	2	<b>115,375</b>	105,468
Operating expenses	3	<b>(45,362)</b>	(41,653)
Depreciation expenses	3	<b>(15,653)</b>	(15,079)
Insurance expense		<b>(4,295)</b>	(3,769)
Employee benefits expense	3	<b>(1,972)</b>	(1,852)
Professional fees expense		<b>(1,004)</b>	(947)
Net loss on disposal of property, plant & equipment		<b>(191)</b>	(57)
Operating profit		<b>46,898</b>	42,111
Finance costs	11	<b>(126)</b>	(129)
<b>Profit before income tax</b>		<b>46,772</b>	41,982
Income tax expense	4	<b>(14,302)</b>	(12,832)
<b>Profit for the year</b>		<b>32,470</b>	29,150
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>32,470</b>	29,150
		<b>2024 Cents</b>	2023 Cents
<b>Earnings per share attributable to the ordinary equity holders of the Company</b>			
Basic and diluted earnings per share	5	<b>9.00</b>	8.10

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

# Statement of financial position

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	25,843	27,091
Trade and other receivables	8	2,814	7,208
Current tax assets		–	396
Other financial assets	7	9,055	55
<b>Total current assets</b>		<b>37,712</b>	<b>34,750</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	338,886	340,371
Intangible assets	10	2,594	2,550
Right-of-use asset	11	1,965	1,856
<b>Total non-current assets</b>		<b>343,445</b>	<b>344,777</b>
<b>Total assets</b>		<b>381,157</b>	<b>379,527</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	18,966	20,780
Current tax liabilities		4,614	–
Lease liabilities	11	250	206
<b>Total current liabilities</b>		<b>23,830</b>	<b>20,986</b>
<b>Non-current liabilities</b>			
Net deferred tax liabilities	13	14,068	16,864
Lease liabilities	11	3,064	2,999
<b>Total non-current liabilities</b>		<b>17,132</b>	<b>19,863</b>
<b>Total liabilities</b>		<b>40,962</b>	<b>40,849</b>
<b>Net assets</b>		<b>340,195</b>	<b>338,678</b>
<b>Equity</b>			
Contributed equity	15	317,628	317,628
Retained earnings	16	22,567	21,050
<b>Total equity</b>		<b>340,195</b>	<b>338,678</b>

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

# Statement of changes in equity

For the year ended 30 June 2024

	Notes	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 30 June 2022</b>		317,628	19,260	336,888
Profit for the year		-	29,150	29,150
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	29,150	29,150
<b>Transactions with owners in their capacity as owners</b>				
Dividends provided for or paid	14	-	(27,360)	(27,360)
<b>Balance at 30 June 2023</b>		317,628	21,050	338,678
Profit for the year		-	<b>32,470</b>	<b>32,470</b>
Other comprehensive income		-	-	-
Prior year adjustment	9	-	<b>(2,513)</b>	<b>(2,513)</b>
Total comprehensive income for the year		-	<b>29,957</b>	<b>29,957</b>
<b>Transactions with owners in their capacity as owners</b>				
Dividends provided for or paid	14	-	<b>(28,440)</b>	<b>(28,440)</b>
<b>Balance at 30 June 2024</b>		<b>317,628</b>	<b>22,567</b>	<b>340,195</b>

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



# Statement of cash flows

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		127,810	117,587
Payments to suppliers and employees (inclusive of goods and services tax)		(65,694)	(54,105)
		62,116	63,482
Interest received		1,191	660
Interest paid		(126)	(129)
Income taxes paid		(12,090)	(12,578)
<b>Net cash inflow from operating activities</b>	24	<b>51,091</b>	51,435
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(15,009)	(22,330)
Proceeds from redemption of financial assets		9,000	6,945
<b>Net cash (outflow) from investing activities</b>		<b>(6,009)</b>	(15,385)
<b>Cash flows from financing activities</b>			
Dividends paid to Company's shareholders		(28,440)	(27,360)
Principal element of lease payment		109	(89)
<b>Net cash (outflow) from financing activities</b>		<b>(28,331)</b>	(27,448)
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(1,248)</b>	8,602
Cash and cash equivalents at the beginning of the financial year		27,091	18,489
<b>Cash and cash equivalents at the end of the year</b>	6	<b>25,843</b>	27,091

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

# Notes to Financial Statements

30 June 2024

## About this report

The material accounting policies adopted by Sugar Terminals Limited (STL or the Company) in preparation of the financial report are set out below and in the following notes to the financial statements. These policies are consistent with those of the previous financial year, unless otherwise stated.

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*. STL is a for-profit entity for the purpose of preparing these financial statements.

### Compliance with IFRS

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Historical Cost Convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, and certain classes of property, plant and equipment which have been measured at fair value.

### New and amended standards adopted by STL

STL has adopted all new and revised accounting standards and interpretations issued by the AASB that are relevant to STL and to be implemented for an accounting period that begins on or after 1 July 2023. There was no impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### New standards and interpretations not yet adopted

There are no other standards that are not yet effective and that would be expected to have a material impact on STL in the current or future reporting

periods and on foreseeable future transactions.

### Going concern

These financial statements have been prepared on the basis that STL is a going concern, able to realise assets and settle liabilities in the ordinary course of business.

Prior to balance date QSL agreed to sign their storage and handling agreement. STL has now signed three-year storage and handling agreements with all six of its raw sugar customers. The terms of the new storage and handling agreement will apply to all of STL's raw sugar customers who utilise STL's services during the 3-year term.

The agreement expires on 30 June 2025 and includes options for 2 further 12 months extension.

### Functional and presentation currency

Items included in the financial statements of STL are measured using the currency of the primary economic environment in which STL operates ("the functional currency"). The financial statements are presented in Australian dollars (\$), which is STL's functional and presentation currency.

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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, or payable to, the taxation authority is included with other receivables or other payables in the balance sheet.

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 taxation

authority, are presented as operating cash flows.

### Significant judgements and estimates

In the process of applying STL's accounting policies, management is required to exercise its judgement and apply estimates of future events.

The areas involving significant estimates or judgements are the application of accounting policies including revenue (Note 2), asset capitalisation (Note 9 and Note 10), leases (Note 11) and the estimation of environmental remediation in contingent liabilities (Note 17).

### Rounding of Amounts

STL is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### Corporate Information

A description of the Company's operations and its principal activities is included in the review of operations and activities on page 13 of the Directors' report which is not part of this financial report.

The financial report was authorised for issue by the Directors on 12 September 2024. The Directors have the power to amend and reissue the financial report.

STL is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

### Sugar Terminals Limited

Level 11  
348 Edward Street  
Brisbane City QLD 4000

## Note 1 Segment information

### Operating segments

STL's operations are monitored by key management as one operating segment, and this is how the results are reported internally and how the business is managed. The Chief Executive Officer and the Board assess the performance of the Company based on net profit after tax.

## Note 2 Revenue

### a) Disaggregation of revenue from contracts with customers

	Revenue from Contracts with customers			Total \$'000
	Storage & handling – raw sugar \$'000	Storage & handling – other \$'000	Other revenue \$'000	
<b>2024</b>				
At a point in time	-	1,044	1,238	2,282
Over time	112,085	1,008	-	113,093
	112,085	2,052	1,238	115,375
<b>2023</b>				
At a point in time	-	198	682	880
Over time	103,586	1,002	-	104,588
	103,586	1,200	682	105,468

### b) Revenue recognised in relation to contract liabilities

	2024 \$'000	2023 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Storage and handling – raw sugar	4,621	2,657
Storage and handling – other	148	148
	4,769	2,805

STL measures revenue at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of duties and taxes paid. STL revenue is recognised for the major business activities as follows:

### c) Revenue from contracts with customers

#### Storage and handling services – raw sugar:

In the storage and handling contracts with raw sugar customers, there is a single performance obligation for STL to stand-ready to provide capacity to its customers for an integrated service of providing storage, receiving, outloading and testing during the financial year. The key factor that leads to the determination of a single stand-ready performance obligation is STL's commitment to provide customers with storage capacity for a 12-month period based upon a defined nomination process. There are no limits on activity (receival or outloading) services or the timing of those services.

Revenue from storage and handling agreements with raw sugar customers is recognised using a straight-line method, as storage and handling facilities are available and utilised by customers over a 12-month period. While there are peak months of receipts during harvest season, the stand-ready arrangements provide customers with the flexibility to make real time economic decisions on storage and handling of raw sugar dependent on market conditions. Customers benefit from STL standing ready to satisfy the performance obligation and are therefore considered to derive equal value throughout the contract period.

The activity (receival or outloading) and testing services provided by STL for raw sugar are not considered to be distinct from the overall integrated storage and handling service obligations of STL to provide customers with a capped volume of available capacity throughout the year.

Other customer specific charges are not considered to be performance obligations in the contract on the basis that they are not performed until requested by the customer. Such services are accounted for as revenue when performed.

#### Storage and handling services – other:

Revenue from other storage and handling services are recognised either using a straight-line method or at a point in time, depending upon the type of services provided.

### d) Other revenue

Other revenue is comprised of the following:

#### Interest revenue:

Interest revenue is recognised as it accrues using the effective interest rate method.

### Note 3 Expenses

Profit before income tax includes the following specific expenses:

#### Expenses

##### Operating expenses

	2024 \$'000	2023 \$'000
Operations contractor fee	41,243	37,543
Analytical services fee	1,644	1,497
Outgoings and licence fees	1,959	1,957
Other operating expenses	516	656
<b>Total operating expenses</b>	<b>45,362</b>	<b>41,653</b>

##### Employee benefit expense

Defined contribution superannuation	-	142
Employee remuneration and other benefits	1,972	1,710
<b>Total employee benefit expense</b>	<b>1,972</b>	<b>1,852</b>

##### Depreciation

Property	6,717	6,454
Plant and equipment	8,327	8,304
Common User Infrastructure assets	89	11
Intangible assets	272	220
Amortisation leasehold land	128	-
Right of use assets	120	90
<b>Total depreciation</b>	<b>15,653</b>	<b>15,079</b>

#### Operations contractor fee

STL subcontracts the operations of its six Bulk Sugar Terminals (BSTs) to Queensland Sugar Ltd (QSL) under the terms of an Operating Agreement (OA). On 30 January 2023, STL made the decision to notify QSL of our intention to terminate the OA with effect from 30 June 2026 or earlier if mutually agreed, and to insource the operations of the BSTs. Under the terms of the OA with QSL, QSL has an obligation to engage in good faith with STL to facilitate a smooth transition to avoid any adverse impacts on terminal operations during this period.

#### Analytical services

STL has in place a three-year agreement with Gateway Laboratories for the supply of analytical services, with a term to 30 June 2026.

#### Employee benefits expense

Contributions are made by STL to an employee's superannuation fund and are charged as expenses when incurred.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, incurred but not paid are recognised in expenses in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for employee short-term incentives are recognised as an expense when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. Settlement occurs within 12 months and is measured at the amounts expected to be paid when they are settled.

### Note 4 Income tax

	2024 \$'000	2023 \$'000
<b>a) Income tax expense</b>		
Current taxation	17,028	10,257
Deferred tax relating to the increase (decrease) in deferred tax liabilities (Note 13)	(2,720)	2,575
Under / over provision	(6)	-
	<b>14,302</b>	<b>12,832</b>
<b>b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit before income tax expense	46,773	41,982
Income tax calculated at the Australian corporate tax rate of 30% (2023 – 30%)	14,302	12,594
Tax effect of permanent differences:		
Non-deductible depreciation	276	238
Under / over provision	(6)	-
<b>Income tax expense</b>	<b>14,302</b>	<b>12,832</b>
Effective tax rate (income tax expense as a percentage of profit before tax)	<b>30.6%</b>	<b>30.6%</b>

Income tax expense for the period is the tax payable on the current period's taxable income based on the current income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## Note 5 Earnings per share

	2024 Cents	2023 Cents
<b>a) Basic and diluted earnings per share</b>		
Attributable to the ordinary equity holders of STL	9.00	8.10
<b>b) Reconciliation of earnings used in calculating earnings per share</b>		
<i>Basic and diluted earnings per share</i>	\$'000	\$'000
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	32,470	29,150
<b>c) Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	360,000,000	360,000,000

### Basic earnings per share

Basic earnings per share is calculated as profit attributable to STL equity holders divided by the weighted average number of ordinary shares.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

There were no potential dilutive ordinary shares for the year ended 30 June 2024 (2023 – nil).

## Note 6 Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash at bank and on hand	25,843	27,091
	<b>25,843</b>	<b>27,091</b>
<b>a) Reconciliation to cash flow statement</b>		
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:		
Balances as above	25,843	27,091
Balances per statement of cash flows	<b>25,843</b>	<b>27,091</b>

### b) Cash at bank and on hand

Cash at bank earns a floating interest rate of 4.35%, which is the rate at 30 June 2024 (2023 – 4.10%).

For statement of cash flow reconciliation and presentation purposes, cash and cash equivalents will include the following:

- cash on hand
- other short-term, highly liquid investments with 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

### c) Interest rate risk exposure

STL's exposure to interest rate risk is discussed in Note 16.

## Note 7 Other financial assets

	2024 \$'000	2023 \$'000
Term deposits	9,055	55
	<b>9,055</b>	<b>55</b>

### a) Financial assets

Term deposits earn a weighted average interest rate of 4.94%, which is the average rate on deposits invested at 30 June 2024 (2023 – 4.25%).

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable within 24 hours' notice with no loss of interest.

Term deposits that have a maturity of three months or more from the date of acquisition are presented as other financial assets.

### b) Impairment of other financial assets

While cash and cash equivalents and other financial assets are also subject to the impairment requirements of AASB 9 Financial Instruments (AASB 9), these financial assets are determined to have low credit risk at reporting date.

STL does not have any hedging arrangements.

### c) Financial assets held as collateral

STL has financial assets in the form of a \$54,602 term deposit held as guarantee for the Company's office lease entered into May 2024, for the term of the lease.

## Note 8 Trade and other receivables

	2024 \$'000	2023 \$'000
<b>Current</b>		
Trade receivables	905	464
Allowance for impairment	–	(352)
Other receivables	1,909	7,096
	<b>2,814</b>	<b>7,208</b>

### a) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, less provision for impairment.

### b) Fair value and credit risk

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

### c) Impairment of trade receivables

STL 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. Based on trading experience and market conditions, historically STL has not provided for a loss allowance for trade receivables.

In FY23, STL recognised an impairment loss of \$0.4 million relating to a specific number of invoices that remained unpaid at year end. During FY24 these amounts were subsequently paid, resulting in a reversal of the impairment loss previously recognised.

Subsequent recoveries of amounts previously written off are credited against the same line item.

### d) Other receivables

Other receivables generally arise from accrued amounts for services performed in the ordinary course of business. The receivables are normally due within 30 days of recognition. During FY24, and according to the terms on the contract with Gladstone Ports Corporation (GPC), STL has incurred costs for the construction of the Common User Infrastructure at the Bundaberg terminal, which will be reimbursed by GPC at cost.

During FY24, STL received partial settlement from its insurer for the recovery of costs incurred from an insured event which occurred during the FY23 financial year. The remaining balance of this claim still sits with the appointed insurers awaiting further resolution.

## Note 9 Property, plant and equipment

	Leasehold land \$'000	Buildings \$'000	Plant and equipment \$'000	CUI assets \$'000	Under construction \$'000	Total \$'000
<b>Year ended 30 June 2024</b>						
Opening net book amount	12,804	175,381	147,025	1,934	3,227	340,371
Additions	-	172	3,212	876	12,220	16,480
Disposals	-	-	(191)	-	-	(191)
Transfers	-	-	7,937	-	(7,937)	-
Prior year adjustment	(2,513)	-	-	-	-	(2,513)
Depreciation charge	(128)	(6,717)	(8,327)	(89)	-	(15,261)
Closing net book amount	10,163	168,836	149,656	2,721	7,510	338,886
<b>At 30 June 2024</b>						
Cost	12,804	175,381	395,773	2,820	7,510	594,288
Accumulated depreciation	(2,641)	(6,545)	(246,117)	(99)	-	(255,402)
Net book amount	10,163	168,836	149,656	2,721	7,510	338,886
<b>Year ended 30 June 2023</b>						
Opening net book amount	12,804	181,558	136,343	-	11,031	341,736
Additions	-	276	738	1,945	10,502	13,461
Disposals	-	-	(45)	-	(12)	(57)
Transfers	-	-	18,294	-	(18,294)	-
Depreciation charge	-	(6,453)	(8,305)	(11)	-	(14,769)
Closing net book amount	12,804	175,381	147,025	1,934	3,227	340,371
<b>At 30 June 2023</b>						
Cost	12,804	181,558	392,577	1,945	3,227	592,111
Accumulated depreciation	-	(6,177)	(245,552)	(11)	-	(251,740)
Net book amount	12,804	175,381	147,025	1,934	3,227	340,371

### Non-current assets pledged as security

STL had access to an undrawn \$3 million bank overdraft facility at the reporting date. The security for this overdraft is as follows:

- Deed of mortgage and consent over lease of land at Townsville bulk sugar terminal
- Fixed and floating charge over the whole of the Company's assets, excluding its interests in the leases of land at the ports of Cairns, Mourilyan, Lucinda, Bundaberg and Mackay.

### Recognition and measurement

Property, plant and equipment is shown at historical cost less depreciation. 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.

#### Leasehold land

Following its inception, STL acquired a number of leasehold land properties with an initial 100-year lease term and a further 100-year right of renewal. Leasehold land is recognised at its "deemed cost" (ie Historical Cost).

STL has reviewed its accounting policy in relation to leasehold land and in accordance with ASASB16 Accounting for Leases, has amended the accounting treatment of leasehold land to depreciate its historical cost over the initial 100-year term. This has resulted in a prior year adjustment of \$2,512,902 made to retained earnings.

#### Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Buildings 40 – 80 years
- Plant and equipment 7 – 50 years
- Leasehold land 100 years
- Common User Infrastructure assets 20 – 40 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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.

#### Disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income.

#### Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

## Note 10 Intangible assets

### Software

	Software assets \$'000	Software under development \$'000	Total \$'000
<b>Year ended 30 June 2024</b>			
Opening net book amount	1,997	553	2,550
Additions	316	-	316
Transfers	553	(553)	-
Amortisation	(272)	-	(272)
Closing net book amount	2,594	-	2,594
<b>At 30 June 2024</b>			
Cost	3,090	-	3,090
Accumulated amortisation	(496)	-	(496)
Net book amount	2,594	-	2,594
	Software assets \$'000	Software under development \$'000	Total \$'000
<b>Year ended 30 June 2023</b>			
Opening net book amount	2,094	-	2,094
Additions	123	553	676
Amortisation	(220)	-	(220)
Closing net book amount	1,997	553	2,550
<b>At 30 June 2023</b>			
Cost	2,221	553	2,774
Accumulated amortisation	(224)	-	(224)
Net book amount	1,997	553	2,550

### Recognition and measurement

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs incurred in developing products, systems, or in acquiring software and licenses, are capitalised to intangible software assets where the software will provide a future financial benefit to STL and the Company has control over the use of the software.

Directly attributable costs that are capitalised as part of the software development may include external direct costs of materials and services, employee costs and an appropriate portion of relevant overheads.

Capitalised software costs are amortised from the point at which the asset is ready for use.

Software is stated at historical costs, less any accumulated amortisation. Amortisation of software assets is calculated using the straight-line method over their estimated useful lives, as follows:

- IT development and software 10 years

## Note 11 Leases

### a) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	2024 \$'000	2023 \$'000
<b>Non-current assets</b>		
Right-of-use	2,574	2,175
Less: accumulated depreciation	(609)	(319)
	1,965	1,856
<b>Reconciliation of the written down value at the beginning and end of the current financial year are set out below:</b>		
	Properties	Total
Balance at 1 July 2022	1,821	1,821
Addition in recognition of new right of use asset	125	125
Depreciation expense	(90)	(90)
Balance at 30 June 2023	1,856	1,856
Balance at 1 July 2023	1,856	1,856
Addition in recognition of new right of use asset	246	246
Depreciation expense	(137)	(137)
<b>Balance at 30 June 2024</b>	<b>1,965</b>	<b>1,965</b>



**Note 11 Leases (continued)**

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Lease liability	250	206
<b>Non-current liabilities</b>		
Lease liability	3,064	2,999
<b>Total lease liability</b>	<b>3,314</b>	<b>3,205</b>
<b>Future lease payments</b>		
Future lease payments are due as follows:		
<i>No later than one year</i>	250	236
<i>Later than one and not later than five years</i>	731	578
<i>Later than five years</i>	11,388	10,612
	<b>12,369</b>	<b>11,426</b>
<b>b) Amounts recognised in the statement of profit or loss and other comprehensive income</b>		
The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:		
Depreciation charge right-of-use assets	249	90
Interest expense	126	129
	<b>375</b>	<b>219</b>
The total cash outflow for leases	<b>237</b>	<b>218</b>

**c) STL's leasing activities and how these are accounted for**

STL has signed long-term head leases with each port authority for nominal values. Each head lease includes the option for STL to extend the lease term. Commencing in 2001, the value of the land attributable to each lease was recognised on STL's statement of financial position (refer to Leasehold Land in Note 9 Property, Plant and Equipment). STL has amended its accounting treatment of leasehold land in accordance with AASB 16 and will amortise its value over the life of the lease term.

STL has long-term licence agreements in place for the wharf land upon which STL's wharves reside at Cairns, Lucinda and Bundaberg. Each licence includes the option for STL to extend the licence term. For these licences, STL obtains substantially all the economic benefits from the underlying assets (the wharf land). Therefore the agreements are considered to incorporate a lease for the purposes of AASB 16. The fees for the wharf licences at Lucinda and Bundaberg are nominal. As the value of the lease liability for the wharf licences is considered immaterial, no change has been made to the accounting treatment under AASB 16. At Cairns, STL pays an annual licence fee and this licence is considered to incorporate a lease for the purposes of AASB 16.

STL's licence agreement for office space was renewed in May 2023 with an expiry date of 31 October 2024 (plus an option for a 1 year extension). On 26 July 2024, STL signed a new lease agreement for a further 2 years until 31 October 2026. Both the old and new lease are considered to incorporate a lease for the purposes of AASB 16.

On 25 March 2024, STL entered into a lease agreement with Gladstone Ports Corporation (GPC) for the Bundaberg Common User Infrastructure (CUI) with a term of 50 years, with no right to renewal. STL's lease payments to GPC for the CUI will be fully variable and linked to the future use of the CUI (i.e. tonnes shipped). Therefore, as the payments are fully variable, they will be excluded from the measurement of lease liabilities. The payments will be recognised in the profit and loss in the period that the lease payment is made (which will be linked to tonnes shipped). There is no minimum payment amount under the terms of the arrangement with GPC.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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
- amounts expected to be payable by the lessee under residual value guarantees

The lease payments are discounted using an estimate of STL's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

**d) Critical judgements in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**Note 12 Trade and other payables**

	2024 \$'000	2023 \$'000
Trade and other payables	14,197	15,689
Deferred revenue	4,769	5,091
	<b>18,966</b>	<b>20,780</b>

Trade and other payables are unsecured and are usually paid within 30 days of recognition. The carrying amount of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**a) Other payables****Wages, salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave, which are non-vesting, are recognised when the leave is taken and measured at the rates paid or payable.

**Short term incentive plans**

STL recognises a liability for employee short term incentive plan entitlements in other payables when there is a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. Settlement occurs within 12 months and is measured at the amounts expected to be paid when they are settled.

**b) Deferred revenue**

Under the terms of the contract for certain services, STL invoices customers in advance of services performed. The income received on invoice in advance is recognised as deferred revenue until the time of the service being performed.

In FY24, deferred revenue from FY23 of \$5,091,767 was fully recognised by 30 June 2024. FY24's closing amount of \$4,769,372 will be recognised in the following financial year ending 30 June 2025.

**Note 13 Deferred tax liabilities**

	2024 \$'000	2023 \$'000
<b>a) Deferred tax assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Property, plant and equipment	2,505	460
Total deferred tax assets	2,505	460
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,505)	(460)
<b>Net deferred tax assets</b>	-	-
<b>b) Deferred tax liabilities</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Right of use asset	590	-
Property, plant and equipment	15,969	17,324
Other	14	-
Total deferred tax liabilities	16,573	17,324
Set-off of deferred tax assets pursuant to set-off provisions	(2,505)	(460)
<b>Net deferred tax liabilities</b>	<b>14,068</b>	<b>16,864</b>
Opening balance at 1 July	16,864	14,252
Tax payable adjustment from prior year	(75)	37
Charged to the profit or loss (Note 4a)	(2,721)	2,575
<b>Closing balance at 30 June</b>	<b>14,068</b>	<b>16,864</b>

Deferred income tax is provided for 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 balance sheet date 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 for deductible temporary differences and unused tax losses 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 when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where STL 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.

## Note 14 Capital management

### a) Risk Management

STL manages capital to safeguard the company's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders.

### b) Dividends paid on ordinary shares during the year

Final fully franked dividend for the year ended 30 June 2023 of 3.9 cents per share (2022 – 3.7 cents)

Interim fully franked dividend for the year ended 30 June 2024 of 4.0 cents per share (2023 – 3.9 cents)

### c) Dividends not recognised at year end

In addition to the above dividends, since year end the Directors have determined that a final fully franked dividend of 4.1 cents per fully paid ordinary share will be paid on 3 October 2024, but is not recognised as a liability at year end (2023 – 3.9 cents)

### d) Franked dividends

Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023 – 30%)

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

- (a) franking credits that will arise from the payment of the current tax liability
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- (c) franking credits that may be prevented from being distributed in subsequent financial years.

The dividend declared by the directors since year end, but not recognised as a liability at year end, will result in a reduction in the franking account of \$6,325,714 (2023 – \$6,017,143).

	2024 \$'000	2023 \$'000
	14,040	13,320
	14,400	14,040
	28,440	27,360
	14,760	14,040
	2,038	1,799

## Note 15 Contributed equity

	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
<b>a) Share capital</b>				
Ordinary shares				
Fully paid	360,000,000	360,000,000	317,628	317,628
<b>b) Movements in ordinary share capital</b>				
Opening balance			317,628	317,628
Closing balance			317,628	317,628

### c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Where there is a voting by poll at a meeting of shareholders, each share is entitled to one vote, except that no holder of G class shares may vote more than 5% of the total number of G Class shares.

Where there is a voting by show of hands at a meeting of shareholders, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote.

	2024	2023
At 30 June there were 360 million ordinary shares fully paid, consisting of:		
G Class ordinary shares	229,348,203	229,348,203
M Class ordinary shares	130,651,797	130,651,797
	360,000,000	360,000,000

During the year ended 30 June 2024, there were no movements in the total number of ordinary shares on issue.

Ordinary shares are classified as equity. 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.

## Note 16 Financial risk management

STL's activities expose the Company to a variety of financial risks: credit risk, liquidity risk and market risk. The overall risk management program of STL focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Whilst STL has concentration of risk as the Company has a small group of customers, this risk is managed through close relationships with those customers and the terms of contracts through which STL provides services to them.

### a) Credit risk

STL had no significant concentrations of credit risk during the year. Cash at bank and term deposits are all held with one of the major Australian banks.

### b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities, both of which STL considers at all times.

#### (i) Financing arrangements

STL had access to the following undrawn borrowing facility at the reporting date:

	2024 \$'000	2023 \$'000
<b>Floating rate</b>		
Expiring within one year (bank overdraft)	<b>3,000</b>	3,000

The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

### c) Market risk

#### (i) Foreign exchange risk

STL is not exposed to foreign exchange risk arising from currency exposure.

#### (ii) Price risk

STL is not exposed to equity securities price risk.

#### (iii) Cash flow and fair value interest rate risk

STL's income and operating cash flows are substantially independent of changes in market interest rates. There is no external debt or interest-bearing obligations.

## Note 17 Contingent liabilities

### Environmental remediation

STL is subject to environmental laws and regulations concerning its bulk sugar terminal facilities that may require future remediation to be undertaken. Such contingencies may arise during the term of, or upon any expiry of, a relevant lease.

Each of STL's six bulk sugar terminals is operated under a long-term lease with the local port authority. Each lease contains rolling options for extension, which are in the Company's control. If, at a future time, a lease was permitted to expire and the relevant port did not elect to purchase the terminal facilities, STL may be required to remove terminal infrastructure and undertake appropriate remediation. Any such obligation is considered to have a low probability of crystallising at this time due to the ongoing nature of export sugar activities and growth in other commodity handling, which supports the continued utilisation of each terminal.

STL may also sell one or more of the bulk sugar terminals to a third party buyer, releasing the Company from any future obligation or liability in respect of that terminal, including future "make good" and/or remediation obligations.

As at 30 June 2024, in considering all information presently available to them, the Directors consider the likelihood of incurring "make good" and/or remediation obligations and liabilities in respect of the bulk sugar terminals to have a low probability.

As such, no provision for these obligations has been recognised. The assumptions supporting this assessment may change should events change in the future. This position will be reconsidered at each reporting date or in the event of underlying industry change.

## Note 18 Commitments

### Capital Commitments

	2024 \$'000	2023 \$'000
Capital expenditure contracted for by QSL as operator but not paid or recognised as a liability by STL at year end	446	6,870
Capital expenditure contracted for by STL but not paid or recognised as a liability by STL at year end	467	968
	<b>913</b>	<b>7,838</b>

Under the terms of the Operating Agreement, QSL incurs expenditure on capital works on STL's behalf in accordance with the approved capital expenditure budget and that expenditure is reimbursed by STL.

In June 2022 STL agreed with GPC to proceed with construction of the Common User Infrastructure at the Port of Bundaberg, which required STL to commit to capital works on STL owned assets as part of this project. As at 25 March 2024, this project had reached practical completion.

## Note 19 Events occurring after the reporting date

There were no significant events occurring after the reporting date.

## Note 20 Related party transactions

	2024	2023
<b>a) Key management personnel</b>		
<b>Key management personnel compensation</b>		
Short-term	1,576,365	1,512,179
Post-employment benefits (i.e. superannuation)	137,217	124,732
	<b>1,713,582</b>	<b>1,636,911</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 17.

**Equity instrument disclosures relating to key management personnel – Shareholdings**

The number of ordinary shares in the Company held during the financial year by each Director and other key management personnel of the Company, including their related parties and personally related entities, are set out below. No shares were granted during the reporting period as compensation.

	2024	2023
<b>AR Bartolo</b>		
Shares held at the beginning and end of the year	17,644	17,644
<b>S Calcagno<sup>1</sup></b>		
Shares held at the beginning and end of the year	53,429	53,429
<b>S Kirby<sup>2</sup></b>		
Shares held at the beginning and end of the year	15,468	-

<sup>1</sup> Mr Stephen Calcagno was a Director from the beginning of the period until his retirement on 22 November 2023.

<sup>2</sup> Mr Steven Kirby was appointed a Director on 29 November 2023 and continues as at the date of this report.

	2024 \$	2023 \$
<b>b) Transactions with other related parties</b>		
The following transactions occurred with other related parties:		
Provision of services to shareholders	111,921,691	102,554,996
Purchase of services from shareholders	58,765,804	50,846,607
<b>Outstanding balances arising from sales/ purchases</b>		
The following balances (inclusive of any goods and services tax) are outstanding at the end of the reporting period in relation to transactions with related parties:		
Current receivables (provision of services to shareholders)	552,169	383,612
Current payables (purchase of services from shareholders)	13,104,856	13,479,845
Prepaid revenue from shareholders	4,620,991	4,943,386

**Terms and conditions**

The transactions have been recorded in accordance with the terms and conditions included in the Storage and Handling Agreement.

**Note 21 Remuneration of auditors**

During the year the following fees were paid or payable for services provided by BDO Australia as the auditor of STL, by BDO's related network firms and non-related audit firms:

	2024 \$	2023 \$
<b>Auditors of STL - BDO and related network firms</b>		
Audit and review of financial reports	74,000	72,000
<b>Other services</b>		
Accounting and Taxation advice	9,650	-
Independent scrutineers services	2,500	-
Administration charges	2,428	-
Total remuneration for other services	14,578	72,000
Total services provided by BDO	88,578	72,000

**Note 22 Economic dependency**

STL depends on six customers for 98% of its revenue via income from the Storage and Handling Agreement.

### Note 23 Reconciliation of profit after income tax to net cash inflow from operating activities

	2024 \$'000	2023 \$'000
Profit for the year	32,470	29,150
Depreciation	15,653	15,079
Net loss on disposal of non-current assets	191	57
Increase in impairment of trade receivables	-	352
Increase in trade and other receivables	1,765	(1,623)
Increase (decrease) in trade and other payables	(1,202)	8,166
Increase (decrease) in current tax liabilities	5,008	(2,358)
Increase (decrease) in deferred tax liabilities	(2,794)	2,612
Net cash inflow from operating activities	<b>51,091</b>	51,435

Sugar Terminals Limited has no controlled entities, and therefore is not required by the Australian Accounting Standards to prepare consolidated financial statements.

As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

# Consolidated entity disclosure statement

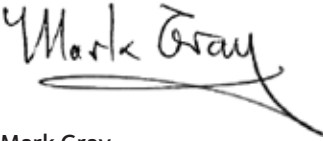


## In the Directors' opinion:

- (a) the financial statements and notes set out on pages 20 to 37 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the attached financial statements are in compliance with the International Financial Reporting Standards as noted in the notes to the financial statements; and
- (d) the consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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



**Mark Gray**  
Chair

Brisbane  
12 September 2024



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Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Sugar Terminals Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Sugar Terminals Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Sugar Terminals Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Carrying Value of Property, Plant and Equipment**

Key Audit Matter	How the matter was addressed in our audit
<p>Property, Plant and Equipment (PPE) represents 88.9% (\$338.9 million) of the Company's total assets as at 30 June 2024 (see Note 9). PPE comprises assets integral to the Company's operations and are subject to regular and extensive repairs and maintenance and capital asset replacement programs, where required.</p> <p>Therefore, the carrying value of PPE is a key audit matter due to its significance in the statement of financial position of the Company and the costs incurred annually in relation to capital asset replacements, costs of maintenance and depreciation expense.</p>	<p>Procedures we performed in assessing the carrying value of PPE included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the Company's accounting policies and methodologies for capitalisation of PPE and assessed whether they comply with the requirements of AASB 116 <i>Property, Plant and Equipment</i>;</li> <li>• Reviewed capital assets under construction balances to determine any long outstanding balances that may require impairment;</li> <li>• Reviewed management's repair and maintenance strategy;</li> <li>• Reviewed management's impairment assessment;</li> <li>• Agreed PPE balances from the fixed assets register to the financial statements;</li> <li>• Performed substantive procedures, on samples basis, on material PPE movements (additions, transfers and disposals) by agreeing to supporting documentation including invoices and contracts;</li> <li>• Performed reasonableness test, on a sample basis, on depreciation charges during the year by re-calculating depreciation recorded in the fixed assets register;</li> <li>• Assessed the reasonableness of useful lives, on a sample basis, by reviewing historical independent engineering reports used to determine the PPE's useful lives; and</li> <li>• Reviewed the adequacy of the PPE disclosures in the financial statements.</li> </ul>

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

**Other information**

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

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

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, 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:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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

**Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 17 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Sugar Terminals Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'C K Henry', is written over a faint, light blue BDO logo watermark.

**C K Henry**  
Director

Brisbane, 12 September 2024

## Top 10 shareholdings

The Company has G Class shares, the acquisition of which is restricted to Active Growers and M Class shares which are restricted to Active Millers.

Lists of the top 10 G Class shareholdings and all of the M Class shareholdings as at the balance date:

### G Class shareholdings

Shareholder	Number of Shares
Anthoan Pty Ltd	11,515,155
MSF Investments Pty Ltd	11,494,226
QSL Investments (No 1) Pty Ltd	11,467,410
QSL Investments (No 2) Pty Ltd	11,467,410
QSL Investments (No 3) Pty Ltd	11,467,410
MSF Sugar Pty Ltd	11,446,455
MP Australia Investments Pty Ltd	8,816,360
Queensland Sugar Limited	7,383,538
Queensland Sugar Limited	4,364,587
Jaswel Pty Ltd	4,201,246

### M Class shareholdings

Shareholder	Number of Shares
Wilmar Sugar Australia Investments Pty Ltd	65,810,955
Mackay Sugar Limited	32,730,150
MSF Sugar Limited	16,568,672
The Mulgrave Central Mill Company Limited	9,505,841
Tully Sugar Limited	6,016,179
Isis Central Sugar Mill Co Ltd	20,000

## Substantial shareholders

Shareholder	%
MSF Sugar Ltd (and associated companies)	19.32%
Wilmar Sugar Australia Investments Pty Ltd	18.59%
Queensland Sugar Limited (and associated companies)	13.06%
Mackay Sugar Limited	9.09%

## Distribution of shareholders

Range of units	G Class holders		M Class holders		Total shareholders		
	Holders	Securities	Holders	Securities	Holders	Securities	% of units
1 to 1,000	216	92,860	-	-	216	92,860	0%
1,001 to 5,000	639	1,976,373	-	-	639	1,976,373	1%
5,001 to 10,000	713	5,354,514	-	-	713	5,354,514	1%
10,001 to 100,000	2,916	91,179,763	1	20,000	2,917	91,199,763	25%
100,001 and Over	190	130,744,693	5	130,631,797	195	261,376,490	73%
<b>Total</b>	<b>4,674</b>	<b>229,348,203</b>	<b>6</b>	<b>130,651,797</b>	<b>4,680</b>	<b>360,000,000</b>	<b>100%</b>

## Directors

Mark (Alan) Gray - Chair  
Anthony (Tony) Bartolo  
Salvatore (Sam) Bonanno  
Mark Greenwood  
Steven (Steve) Kirby  
Leanne Muller  
Rohan Whitmee

## Company Secretary/CFO

Chris Wagner

## Registered office

Level 11  
348 Edward Street  
Brisbane City QLD 4000

## Share register

Sugar Terminals Limited Share Registry  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

## Auditor

BDO  
Level 10  
12 Creek Street  
Brisbane City QLD 4000

## Solicitors

Clayton Utz  
GPO Box 9806  
Brisbane QLD 4001

## Bankers

National Australia Bank  
PO Box 10653  
Brisbane QLD 4001

## Stock exchange listing

Sugar Terminals Limited G Class shares are listed on the National Stock Exchange of Australia

## Website

[sugarterminals.com.au](http://sugarterminals.com.au)



## Sugar Terminals Limited

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