

Adelaide Cemeteries Authority

Financial report
for the year ended
30 June 2020



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chair of the Board Adelaide Cemeteries Authority

Opinion

I have audited the financial report of Adelaide Cemeteries Authority for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Cemeteries Authority as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- Certificate from the Chair of the Board, the Chief Executive Officer and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide Cemeteries Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards) have been met.

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

Responsibilities of the Chief Executive Officer and the Board of Directors for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Board of Directors are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Cemeteries Authority for the financial year ended 30 June 2020.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the effectiveness of the Adelaide Cemeteries Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

22 September 2020

Certification of the Financial Report

We certify that the attached general purpose financial statements for the Adelaide Cemeteries Authority:

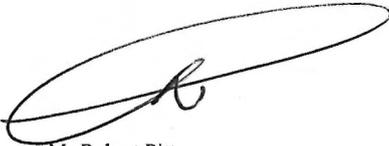
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Authority; and
- present a true and fair view of the financial position of the Adelaide Cemeteries Authority as at 30 June 2020 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide Cemeteries Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Mr Tristan Just
Chair of the Board

Date 21/9/20



Mr Robert Pitt
Chief Executive Officer

Date 21/9/20



Mr Pep Piscioneri
Chief Financial Officer

Date 21/9/20

Adelaide Cemeteries Authority

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2020

	Note No.	2020 S'000	2019 S'000
Income			
Fees and Charges	4	10,376	10,031
Net Gain from Disposal of Assets	5	-	6
Investment Income	6	7	490
Other Income	7	416	722
Total Income		10,799	11,249
Expenses			
Employee Benefits	8	5,500	5,385
Supplies and Services	9	4,337	4,716
Other Expenses	11	-	41
Depreciation and Amortisation	16 & 17	1,036	1,048
Borrowing costs	10	40	56
Net Loss from Disposal of Assets	5	2	-
Total Expenses		10,915	11,246
Net revenue from providing services		(116)	3
Revenue from/ payments to SA Government			
Income Tax Equivalent Payment		-	-
Net Result		(116)	3
Other Comprehensive Income			
Impairment of assets against reserves		-	(322)
Changes in property, plant and equipment asset revaluation surplus	16.1	(7,470)	-
Total Other Comprehensive Income		(7,470)	(322)
Total Comprehensive Result		(7,586)	(319)

The Net Result and the Comprehensive Result are attributable to the SA Government as owner.

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

Adelaide Cemeteries Authority

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note No.	2020 S'000	2019 S'000
Current Assets			
Cash	12	930	324
Receivables	13	1,653	1,682
Inventories	14	647	785
Total Current Assets		3,230	2,791
Non-Current Assets			
Receivables	13	1,660	1,469
Investments	15	5,357	6,350
Property, Plant and Equipment	16	32,597	38,656
Intangible Assets	17	16	9
Total Non-Current Assets		39,630	46,484
Total Assets		42,860	49,275
Current Liabilities			
Payables	18	1,606	765
Employee Benefits	19	469	412
Provisions	20	16	14
Unearned Revenue	21	531	234
Interment Right Lease Liability	22	198	-
Borrowings	23	440	428
Total Current Liabilities		3,260	1,853
Non-Current Liabilities			
Payables	18	42	32
Employee Benefits	19	431	338
Provisions	20	30	20
Unearned Revenue	21	6,814	6,165
Interment Right Lease Liability	22	2,750	-
Borrowings	23	225	665
Total Non-Current Liabilities		10,292	7,220
Total Liabilities		13,552	9,073
Net Assets		29,308	40,202
Equity			
Asset Revaluation Surplus		14,232	21,702
Retained Earnings		14,996	18,420
Reserves		80	80
Total Equity		29,308	40,202

The Total Equity is attributable to the SA Government as owner.

Unrecognised Contractual Commitments

24

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2020

	Note No.	West Terrace Cemetery Heritage Reserve \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2018		80	22,024	16,438	38,542
Prior Year Correction		-	-	(256)	
Adjustments on initial adoption of AASB 9		-	-	2,235	
Restated Balance at 30 June 2018		80	22,024	18,417	40,521
Impairment loss on property, plant and equipment		-	(322)	-	
Total net result for 2018-19		-	-	3	
Balance at 30 June 2019		80	21,702	18,420	40,202
Adjustments on initial adoption of AASB 16		-	-	(3,308)	
Balance at 1 July 2019	2(I)	80	21,702	15,112	36,894
Revaluation loss on Land, Building and Infrastructure	16.1	-	(7,470)	-	
Total net result for 2019-20		-	-	(116)	
Balance at 30 June 2020		80	14,232	14,996	29,308

All changes in Equity are attributable to the SA Government as owner.

Adelaide Cemeteries Authority

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Fees and Charges		12,374	12,072
Other Receipts		416	722
Cash generated from operations		12,790	12,794
Cash Outflows			
Employee Benefits Payments		(5,311)	(5,368)
Payments for Supplies and Services		(4,435)	(5,454)
Interest Paid		(40)	(56)
Net GST Remitted to the Australian Taxation Office		(602)	(580)
Cash used in operations		(10,388)	(11,458)
Net Cash provided by Operating Activities		2,402	1,336
Cash Flows from Investing Activities			
Cash Inflows			
Proceeds from Sale of Investments		1,000	800
Proceeds from Sale of Plant and Equipment		7	30
Cash generated from Investing Activities		1,007	830
Cash Outflows			
Purchase of Investments		-	(150)
Purchase of Intangibles		(20)	-
Purchase of Property, Plant and Equipment		(2,395)	(2,052)
Cash used in Investing Activities		(2,415)	(2,202)
Net Cash (used in) Investing Activities		(1,408)	(1,372)
Cash Flows from Financing Activities			
Cash Outflows			
Repayment of Borrowings		(388)	(416)
Cash used in Financing Activities		(388)	(416)
Net Cash provided by Financing Activities		(388)	(416)
Net (decrease)/Increase in Cash		606	(452)
Cash at 1 July		324	776
Cash at 30 June	12	930	324

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

**NOTES TO &
FORMING PART OF
THE FINANCIAL
STATEMENTS**

Adelaide Cemeteries Authority

NOTE INDEX

Objectives of the Adelaide Cemeteries Authority	Note 1
Significant Accounting Policies	Note 2
New and revised Accounting Standards and Policies	Note 3
Income Notes	
Fees and Charges	Note 4
Net Gain/(Loss) from Disposal of Assets	Note 5
Investment Income	Note 6
Other Income	Note 7
Expense Notes	
Employee Benefits	Note 8
Remuneration of Employees	Note 8
Supplies and Services	Note 9
Borrowing Costs	Note 10
Other Expenses	Note 11
Asset Notes	
Cash	Note 12
Receivables	Note 13
Inventories	Note 14
Investments	Note 15
Property, Plant and Equipment	Note 16
Intangible Assets	Note 17
Liability Notes	
Payables	Note 18
Employee Benefits	Note 19
Provisions	Note 20
Unearned Revenue	Note 21
Interment Right Lease Liability	Note 22
Borrowings	Note 23
Other Notes	
Unrecognised Contractual Commitments	Note 24
Remuneration of Board Members	Note 25
Related Party Transactions	Note 26
Financial Risk Management/Financial Instruments	Note 27

Note 1 Objectives of the Adelaide Cemeteries Authority

The Adelaide Cemeteries Authority (Authority) serves the Government and people of South Australia by achieving excellence in the provision of cemetery, cremation and memorialisation services. The Authority was established in July 2001 pursuant to the *Adelaide Cemeteries Authority Act 2001*. The primary functions of the Authority are to operate and manage the public cemeteries and facilities at Enfield, Cheltenham, West Terrace (Adelaide) and the cemetery at Smithfield which was purchased subsequent to the establishment of the Authority.

Note 2 Significant Accounting Policies

a) Basis of Preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Australian Accounting Standards and interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Authority.

The financial statements are prepared on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from or payable to the ATO, is classified as part of operating cash flows.

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle have been classified as current.

b) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or Accounting Policy Statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

c) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

d) Taxation

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, the Authority is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate income tax rate be applied to the net profit.

The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and the emergency services levy.

e) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June. Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact on the results of subsequent years.

The Authority is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

Note 2 Significant Accounting Policies (continued)

f) Burial and memorial interment right lease liabilities

Interment rights are considered to be leases, with the Authority acting as lessor, in accordance with the requirements of AASB 16 on the basis that the Interment Right holder (lessee) is able to:

- obtain economic benefits from using a defined asset (land); and
- direct the asset's use in accordance with the requirements of a predetermined protective right (i.e. operating policies)

Burial and Memorial Interment Right Finance Lease Accounting

Leases with a term at inception of 50 years or more are accounted for as finance leases, on the basis that the risks and rewards retained by the lessor (the Authority) through its residual interest in the asset are not considered to be significant when measured at inception.

The asset associated with the finance lease (i.e. land) is derecognised at the inception of the lease. Land is derecognised based on the average square meters of a burial plot, being two-meters squared, multiplied by the fair value of the land— refer Note 16.

The derecognised value of the asset will be recognised as a cost of sales through profit and loss – refer Note 9.

Burial and Memorial Interment Right Operating Lease Accounting

Leases with a term at inception of less than 50 years are accounted for as operating leases. Revenue from interment site fees received will be recognised as lease income over the term of the lease on a straight-line basis. For at-need sales, income will be recognised from the time of sale.

The unearned proportion of the operating lease interment right is recognised as a lease liability – refer Note 22.

The effect of renewals/extensions will be considered at the time of renewal, as the occurrence of a renewal on any particular lease cannot be predicted. If the renewal extends the lease term above 50 years from the time of renewal, the lease will be accounted for as a finance lease.

g) Revenue recognition

Fees and Charges

Burial fees, cremation fees, reflection room fees and monumental fees are recognised upon delivery of the service to the clients.

Interment Right Finance Lease Revenue

In accordance with AASB 16, income associated with finance leases is recognised using the effective income method. This income is recognised upon delivery of the service which, for finance lease arrangements, is effectively on receipt.

Interment Right Operating Lease Revenue

Revenue is recognised over time as and when the interment right lease is delivered to the lease holder.

Unearned Revenue

Prepaid funeral packages are purchased by clients for future interments which, depending on the package, include fees for burials, memorialisation, cremation and reflection room/lounge hire. The Authority deems these fees as unearned revenue as the payment has been received or is receivable from the client but the Authority has not yet provided the service.

h) Assets

Receivables

Receivables include amounts receivable from trade, prepayment and other accruals.

Trade receivables arise in the normal course of selling goods and services to the public. Trade receivables are generally receivable within 30 days after the issue of a statement or the goods/services have been provided under a contractual arrangement. The Authority sells burial and memorial sites in advance of an interment to clients under a contractual arrangement providing a three-year repayment option. However, the right of an interment is not granted to the client until the site is fully paid.

Investments

The Authority measures the unitised funds invested with Funds SA at fair value in accordance AASB 9 – Financial Instruments. Unrealised and realised gains and losses are reflected in the Statement of Comprehensive Income as fair value through profit and loss.

Note 2 Significant Accounting Policies (continued)*Non Current Assets Acquisition and Recognition*

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. All non-current tangible assets with a value equal to or in excess of \$5 000 are capitalised.

Depreciation and Amortisation

All non-current assets, having a limited useful life, are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential.

Depreciation and amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets:

Class of Asset	Useful Life (years)
Buildings	40 - 100
Infrastructure Improvements	25 - 80
Plant and Equipment	4 - 15
Intangibles	3 - 5

Revaluation of Non-Current Assets

All non-current tangible assets are valued at fair value; and revaluation of non-current assets or group of assets is performed at least every six years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation as at the revaluation date is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Fair value measurement - Non-financial assets

In determining fair value, the Authority has taken into account the characteristic of the asset and the asset's highest and best use. The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Intangible Assets

Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The authority holds only intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control, and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of the expenditure is greater than or equal to \$5 000. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

i) Liabilities*Employee Benefits*

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

j) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating arrangements arising from contractual or statutory sources and are disclosed at their nominal value - Note 24

The Authority is not aware of any contingent assets or liabilities in relation to the Authority's activities.

k) Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and infrastructure to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

The West Terrace cemetery heritage reserve represents heritage donations and contributions received as well as transfers from retained earnings for the purposes of heritage works at West Terrace Cemetery.

Note 2 Significant Accounting Policies (continued)**l) Change in accounting policy**

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

Interment rights with a term of less than 50 years will be accounted for as operating leases. Interment rights with a term of 50 years and greater will be accounted for as finance leases - Note 2(f).

The adoption of AASB 16 Leases from 1 July 2019 resulted in adjustments to the amounts recognised from a lessor perspective in the financial statements:

- The derecognition of a proportion of underlying land assets related to finance leases.
- The recognition of a lease liability in relation to operating leases.

Impact on retained earnings

The total impact on the Authority's retained earnings as at 1 July 2019 is as follows:

	S'000
Closing retained earnings 30 June 2019 - AASB 117	18,420
Assets	
Property, Plant and Equipment	(401) Note 16
Liabilities	
Lease Liability - Current	(189) Note 22
Lease Liability – Non Current	(2,718) Note 22
Opening retained earnings 1 July 2019 - AASB 16	15,112

Accounting policy on transition

AASB 16 sets out accounting policies on transition. Treasurer's Instructions (Accounting Policy Statements), required the Authority to apply AASB 16 retrospectively with the cumulative effect of initially applying the standard recognised at 1 July 2019 (comparatives have not been restated); apply AASB 16 to contracts that were previously identified as containing a lease under AASB 117 and not transitioned operating leases for which the lease term ends before 30 June 2020.

m) Impact of Covid-19 pandemic on the Authority

The Covid-19 pandemic has impacted the Authority over the latter half of 2019-20 with an impact to both revenue and expenditure. The key impacts were:

- a reduction in revenue across all areas, in particular Chapel and Lounges services due to social distancing restrictions imposed.
- an increase in human resource and cleaning related expenditure.

Adelaide Cemeteries Authority

Note 3 New and Revised Accounting Standards and Policies

The Authority did not voluntarily change any of its accounting policies during 2019-20

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2020. The Authority has assessed the impact of the new and amended standards and interpretations below.

Reference	Title and date of Standard application	Summary and Impact on financial statements	Application date for the Authority
AASB 1059	<i>Service Concession Arrangements: Grantors</i> 1 Jan 2020	This new Standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. The Standard requires the Grantor to recognise service concession assets and a corresponding liability. The asset shall be amortised over the life of the arrangement and income corresponding income also recognised . The Standard sets out the principles for the recognition, measurement, presentation and disclosure of Service Concession Arrangements. Based on a preliminary assessment, the Authority has not identified arrangements that involve an operator providing public services relating to a service concession asset on behalf of the Authority. The effects of this standard are not expected to be material to the Authority.	1 July 2020
AASB 2018-6, AASB 3	<i>Business Combinations</i> 1 Jan 2020	AASB 2018-6 amends AASB 3 to clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. Amendments apply prospectively. The effects of this amendment are not expected to be material to the Authority.	1 July 2020
AASB 2018-7	<i>Definition of Material</i> 1 Jan 2020	AASB 2018-7 Refines the definition of Material across multiple Australian Accounting Standards to include consideration of obscure information that could reasonably be expected to influence decisions primary users of GPFS make based on those financial statements which provide financial information about a specific entity. Materiality depends on the nature or magnitude of information or both. The impact on Accounting Policy Statements is nil. The changes are not expected to be material to the Authority.	1 July 2020
AASB 2019-1 AASB 3	<i>Business Combinations</i> 1 Jan 2020	The standard amends several accounting standards, interpretations and pronouncements. This is as a result of the issuance of the new Conceptual Framework for Financial Reporting. The amendments are applicable to for-profit entities only, as such there is no impact to the Authority.	1 July 2020
AASB 2019-3	<i>Amendments to AASB – Interest Rate Benchmark</i> 1 Jan 2020	The amendments will affect entities that apply hedge accounting requirements of AASB 9 and AASB 139 to hedging relationship directly affected by the interest rate benchmark. The Authority does not currently apply hedge accounting. There is no material impact to the Authority.	1 July 2020
AASB 2019-5	<i>Amendments to AASB 1054 Australian Additional Disclosures</i> 1 Jan 2020	The amendments require disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia. Not-for-profit entities need not provide the disclosures, as such there is no impact to the Authority.	1 July 2020
AASB 2019-7	<i>Amendments to 1049 AASB 1049 Whole of Government and General Government Sector Financial Reporting</i> 1 Jan 2020	The standard amends the disclosures and related reconciliations required at a whole of government level where the key fiscal aggregates measured under Generally Accepted Accounting Principles (GAAP) differ from the corresponding Australian Bureau of Statistics Government Finance Statistics (ABS GFS) measures. There is no impact to the Authority.	1 July 2020
AASB 2020-4	<i>Amendment to AASB 16 Leases. Covid-19 Related Rent Concessions</i> 1 Jan 2020	This standard amends AASB 16 Leases to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. There is no impact to the Authority.	1 July 2020

Adelaide Cemeteries Authority

Note 4 Fees and Charges		
	2020	2019
	\$'000	\$'000
Burial and Memorial Interment Right	6,552	6,027
Burial	2,048	2,050
Cremation	877	980
Reflection Room and Lounge	397	603
Memorial	514	500
Monumental	284	262
Refunds	(296)	(391)
Total Fees and Charges	10,376	10,031

Note 5 Net Gain/(Loss) from Disposal of Assets		
	2020	2019
	\$'000	\$'000
Plant and Equipment		
Proceeds from disposal	7	30
Net Book Value of Assets Disposed	(9)	(24)
Net Gain/(Loss) from Disposal of Plant and Equipment	(2)	6

Note 6 Investment Income		
	2020	2019
	\$'000	\$'000
Net realised gain/(loss) on unitised fund investment designated as fair value through profit and loss	83	16
Net unrealised gain/(loss) on unitised fund investment value designated as fair value through profit and loss	(76)	474
Total Investment Income	7	490

Note 7 Other Income		
	2020	2019
	\$'000	\$'000
Cemetery Record Processing Charges	259	276
Fuel Tax Credit Received	8	13
Grants	90	300
Donations /Contributions	-	100
Interest	1	1
Insurance Proceeds	31	15
Property Rental	14	-
Sundry	13	17
Total Other Income	416	722

Adelaide Cemeteries Authority

Note 8 Employee Benefits

	2020	2019
	\$'000	\$'000
Salaries and Wages	4,165	4,155
Annual Leave	342	373
Long Service Leave	138	86
Workers Compensation	49	17
Employment On-costs - Superannuation	432	414
Employment On-costs - Payroll Tax	239	227
Board Fees (refer Note 25)	100	88
Other Employee Related Expenses	35	25
Total Employee Benefits	5,500	5,385

Key Management Personnel

Key management personnel of the Authority include the Minister, the Board, the Chief Executive Officer and the four members of the Executive Team. Total compensation for key management personnel was \$896 000 in 2019-20 and \$892 000 in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990.

Remuneration of Employees	2020	2019
	No.	No.
The number of employees whose remuneration received or receivable fall within the following bands:		
\$154 001 to \$174 000	-	2
\$174 001 to \$194 000	1	-
\$194 001 to \$214 000	-	-
\$214 001 to \$234 000	1	1
Total Number of Employees	2	3

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$409 000 (2019: \$543 000).

Note 9 Supplies and Services

	2020	2019
	\$'000	\$'000
Water	474	500
Insurance	61	59
Audit Fees	44	43
Grounds Maintenance	42	58
Repairs and Maintenance	458	599
Burial Vaults and Other Cost of Sales	333	355
Advertising and Marketing	386	532
Personal Service Contractors	311	164
Monumental Mason Memorials	191	230
Fuel, Light and Power	227	227
Computing and Communication Services	93	102
Information Technology	414	363
Memorials	187	160
Waste Management Services	111	116
Security and Patrols	105	132
Other Supplies and Services	314	327
<i>Administration Expenses</i>		
Trade Discounts	146	147
Consultants (see below)	144	238
General Administration Expenses	296	364
Total Supplies and Services	4,337	4,716

The number and value of consultancies paid/payable (included in supplies and services) that fall within the following bands:	2020		2019	
	No.	\$'000	No.	\$'000
Equal or Less Than \$10 000	9	37	8	44
Above \$10 000	10	107	5	194
Total Paid/Payable to the Consultants Engaged	19	144	13	238

Adelaide Cemeteries Authority

Note 10 Borrowing Costs		
	2020	2019
	\$'000	\$'000
Interest paid/payable on short-term and long-term borrowings	40	56
Total Borrowing Costs	40	56

Note 11 Other Expenses		
	2020	2019
	\$'000	\$'000
Impairment losses non-financial assets	-	41
Total Other Expenses	-	41

Note 12 Cash		
	2020	2019
	\$'000	\$'000
Cash at Bank	929	323
Cash on Hand	1	1
Total Cash	930	324

Note 13 Receivables		
	2020	2019
	\$'000	\$'000
Current		
Receivables	1,546	1,595
Prepayments	93	73
Accrued Revenues	14	14
Total Current Receivables	1,653	1,682
Non-Current		
Receivables	1,660	1,469
Total Non-Current Receivables	1,660	1,469
Total Receivables	3,313	3,151

Note 14 Inventories		
	2020	2019
	\$'000	\$'000
Burial Vaults	245	275
Burial Crypts	360	461
Burial and Memorial sites	42	49
Total Inventories	647	785

Inventory is measured at cost using the first in first out method.

Note 15 Investments		
	2020	2019
	\$'000	\$'000
Non-Current		
Unitised Funds with Funds SA	5,357	6,350
Total Non-Current Investments	5,357	6,350
Total Investments	5,357	6,350

Note 16 Property, Plant and Equipment

	2020	2019
	\$'000	\$'000
Land and Buildings		
Land at fair value	3,780	11,140
Derecognised Land	(149)	-
Buildings at fair value	16,734	10,936
Accumulated Depreciation	(6,088)	(975)
Total Land and Buildings	14,277	21,101
Infrastructure		
Infrastructure at fair value	31,557	16,097
Accumulated Depreciation	(17,280)	(1,639)
Total Infrastructure	14,277	14,458
Plant and Equipment		
Plant and Equipment at cost (deemed fair value)	5,420	5,312
Accumulated Depreciation	(3,364)	(2,969)
Total Plant and Equipment	2,056	2,343
Capital Works in Progress		
Capital Works in Progress at cost (deemed fair value)	1,987	754
Total Capital Works in Progress	1,987	754
Total Property, Plant and Equipment	32,597	38,656

Valuation of Land and Buildings

Land, Buildings and Infrastructure were valued at fair value by independent valuer Liquid Pacific Holding Pty Ltd as at 30 June 2020. The valuer arrived at fair value based on recent market transactions for similar land in the area taking into account zoning and restricted use.

The valuer used depreciated replacement cost for buildings and infrastructure due to there not being an active market for such buildings and infrastructure. The depreciated replacement cost considered the specialised nature of the assets, including the restricted use of the assets; the size, condition and location. The valuation was based on an assessment of cost, useful life and asset condition.

Useful Life of Assets

There have been minor changes in the useful lives of infrastructure improvements and buildings as part of the 2019-20 revaluations. We acknowledge that plant and equipment remain unchanged.

16.1 Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, and plant and equipment during 2019-20

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Capital Works In Progress \$'000	Total \$'000
Carrying amount at 30 June 2019	11,140	9,961	14,458	2,343	754	38,656
Additions	-	-	-	42	2,841	2,883
Disposals	-	(2)	-	(7)	-	(9)
Transfers between asset classes	-	1,583	(59)	84	(1,608)	-
Derecognition of Land pre 1 July 2019 (AASB 16)	(401)	-	-	-	-	(401)
Derecognition of Land (AASB 16)	(30)	-	-	-	-	(30)
Depreciation	-	(221)	(405)	(406)	-	(1,032)
Revaluation increment / (Decrement)	(7,078)	(675)	283	-	-	(7,470)
Carrying amount at 30 June 2020	3,631	10,646	14,277	2,056	1,987	32,597

Note 17 Intangible Assets

	2020	2019
	\$'000	\$'000
Intangible Assets		
Intangible Assets	20	9
Less: Accumulated Amortisation	(4)	-
Total Intangible Assets	16	9

Reconciliation of Intangible Assets

The following table shows the movement of intangible assets during 2019-20

	Intangible Assets \$'000
Carrying amount at 30 June 2019	9
Additions	20
Transfers between asset classes	(9)
Amortisation	(4)
Carrying amount at 30 June 2020	16

Adelaide Cemeteries Authority

Note 18 Payables		
	2020	2019
	\$'000	\$'000
Current		
Creditors	922	286
Accrued Expenditure	435	170
GST Payable	62	149
Employment On-costs	68	60
Other Payables	119	100
Total Current Payables	1,606	765
Non-Current		
Employment On-costs	42	32
Total Non-Current Payables	42	32
Total Payables	1,648	797

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature. The net amount of GST recoverable from the ATO is included as part of payables. Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

Note 19 Employee Benefits		
	2020	2019
	\$'000	\$'000
Current		
Accrued Salaries and Wages	90	50
Annual Leave	297	288
Long Service Leave	82	74
Total Current Employee Benefits	469	412
Non-Current		
Long Service Leave	431	338
Total Non-Current Employee Benefits	431	338
Total Employee Benefits	900	750

Salaries and wages, annual leave, and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date. The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value. No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave - measurement

AASB 119 Employee Benefits contains the calculation methodology for the long service leave liability.

The actuarial assessment performed has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 1.25% (2018-19) to 0.75% (2019-20).

The salary inflation rate for long service leave decreased from 4.0% to 2.5%, whilst annual leave decreased from 2.2% to 2.0% in 2019-20.

The net financial effect of the changes to actuarial assumptions in the current financial year is an:

- decrease in the long service leave liability of \$15 000; and
- staff benefits expense of \$15 000.

The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption being the long-term discount rate.

Adelaide Cemeteries Authority

Note 20 Provisions		
	2020	2019
	\$'000	\$'000
Current		
Workers Compensation	16	14
Total Current Provisions	16	14
Non-Current		
Workers Compensation	30	20
Total Non-Current Provisions	30	20
Total Provisions	46	34
Movement in Provisions		
Carrying amount at 1 July	34	37
Additional provisions recognised	49	17
Reduction arising from payments	(37)	(20)
Carrying amount at 30 June	46	34

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The Authority is responsible for the payment of workers compensation claims.

Note 21 Unearned Revenue		
	2020	2019
	\$'000	\$'000
Current		
Prepaid Funeral Packages	234	234
Deposits Held	297	-
Total Current Unearned Revenue	531	234
Non-Current		
Prepaid Funeral Packages	6,814	6,165
Total Non-Current Unearned Revenue	6,814	6,165
Total Unearned Revenue	7,345	6,399

Note 22 Interment Right Lease Liability		
	2020	2019
	\$'000	\$'000
Current		
Interment Rights	198	-
Total Current Interment Right Lease Liability	198	-
Non-Current		
Interment Rights	2,750	-
Total Non-Current Interment Right Lease Liability	2,750	-
Total Interment Right Lease Liability	2,948	-

The lease liability relates to Interment Rights of less than 50 years in line with AASB 16 Leases. This represents a change in accounting policy effective 2019-20, refer Note 2(l).

Note 23 Borrowings		
	2020	2019
	\$'000	\$'000
Current		
SAFA Funding Facility	440	428
Total Current Borrowings	440	428
Non-Current		
SAFA Funding Facility	225	665
Total Non-Current Borrowings	225	665
Total Borrowings	665	1,093

The SAFA Fund Facility borrowing interest rate is determined by the Treasurer and was 4.4% in 2020 (4.4% in 2019).

Adelaide Cemeteries Authority

Note 24 Unrecognised Contractual Commitments

	2020	2019
	\$'000	\$'000
Capital Commitments		
Within one year	653	-
Later than one year but not longer than five years	1,417	-
Total Capital Commitments	2,070	-

The Authority's capital commitments are for operational equipment.

Expenditure Commitments

Within one year	106	403
Later than one year but not longer than five years	100	51
Total Expenditure Commitments	206	454

The Authority's expenditure commitments are for operational services.

Note 25 Remuneration of Board Members

Members that were entitled to receive remuneration for membership during 2019-20 were:

Tristan Just (Chair - commenced 2 August 2019)	Susan Clearihan (ceased 5 June 2020)
Patricia Christie	Ester Huxtable (ceased 2 August 2019)
Joanna Andrew (commenced 2 August 2019)	Wayne Hanson (ceased 2 August 2019)
Johnathon Matthews (commenced 2 August 2019)	Mary Patetsos (ceased 2 August 2019)
Kimberley Gillan (commenced 2 August 2019)	
Luisa Greco (commenced 2 August 2019)	
Paul Di Iulio (commenced 5 June 2020)	

Remuneration of Board Members

The number of members whose remuneration received falls within the following bands:

	2020	2019
\$0 - \$19 999	11	6
\$20 000 - \$39 999	-	1
Total Number of Members	11	7

Remuneration of members reflects all costs of performing Board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$100 000 (2019: \$88 000).

Unless otherwise disclosed, transactions between the Authority and Board members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Note 26 Related Party Transactions

The Authority is a statutory authority established pursuant to the *Adelaide Cemeteries Authority Act 2001* and is a wholly owned and controlled entity of the Crown.

Related parties of the Authority include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Compensation of Key Management Personnel is disclosed in Note 8.

There are no individually significant transactions with Key Management Personnel and other related parties.

Note 27 Financial Risk Management/ Financial Instruments**Financial Risk Management**

Risk management is managed by the Authority and risk management policies and practices are in accordance with internal written policies approved by the Authority's Board.

The Authority's investments are held with Funds SA and operate in accordance with an annual performance plan and service level agreement. Risks associated with these investments are primarily managed through Funds SA's risk management policies and procedures.

There have been no changes in risk exposure since the last reporting period.

Categorisation of Financial Instruments

The carrying amounts of each of the following categories of financial assets and liabilities: loans and receivables; available for sale investments; and financial liabilities measured at cost are detailed below:

Category of Financial Asset and Financial Liability	Statement of Financial Position Line Item	Fair Value		Carrying Amount	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial Assets					
Cash and Cash Equivalents	Cash	930	324	930	324
Loans and Receivables	Receivables	3,219	3,077	3,219	3,077
Available for Sale	Investments	5,357	6,350	5,357	6,350
Total Financial Assets		9,506	9,751	9,506	9,751
Financial Liabilities					
Financial Liabilities at Cost	Payables	1,330	417	1,330	417
	Borrowings	665	1,093	665	1,093
Total Financial Liabilities		1,995	1,510	1,995	1,510

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost. The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 13.