

West Beach Trust

Financial report
for the year ended 30
June 2021



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 West Beach Trust

Opinion

I have audited the financial report of West Beach Trust for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the West Beach Trust as at 30 June 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair of the Board of the West Beach Trust, the Chief Executive Officer and the General Manager Corporate Services.

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 West Beach Trust. 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 members of the Trust 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Members of the Trust 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 17(2) of the *West Beach Recreation Reserve Act 1987*, I have audited the financial report of the West Beach Trust for the financial year ended 30 June 2021.

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 West Beach Trust'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
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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 members of the Trust 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.



Andrew Richardson

Auditor-General

21 September 2021

West Beach Trust

Certification of the Financial Statements

We certify that the:

- financial statements of the West Beach Trust:
 - are in accordance with the accounts and records of the Trust;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Trust at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



K L Anderson
Chief Executive Officer



M J Jeffreys
Chair of Board



K Limb, FCPA
General Manager
Corporate Services

Dated: 7 September 2021

West Beach Trust

Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Revenues from fees and charges	2.1	16,614	14,451
SA Government grants, subsidies and transfers	2.2	1,588	1,572
Interest revenues	2.3	2	6
Other income	2.4	1,912	2,160
Total income		20,116	18,189
Expenses			
Employee benefits expenses	3.3	7,907	7,143
Supplies and services	4.1	5,747	5,212
Depreciation and amortisation	4.2	3,176	3,091
Borrowing costs	4.3	277	334
Net loss from the disposal of non-current assets	4.4	6	15
Other expenses	4.5	556	767
Total expenses		17,669	16,562
Profit (loss) before income tax equivalents		2,447	1,627
Income tax equivalent expense	1.4	734	488
Profit (loss) after income tax equivalents		1,713	1,139
Total comprehensive result		1,713	1,139

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

West Beach Trust

Statement of Financial Position As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	2,078	1,932
Receivables	6.2	2,825	786
Inventories	5.5	69	65
Total current assets		4,972	2,783
<u>Non-current assets</u>			
Property, plant and equipment	5.1	94,299	94,460
Intangible assets	5.4	148	213
Total non-current assets		94,447	94,673
Total assets		99,419	97,456
<u>Current liabilities</u>			
Payables	7.1	1,846	1,615
Fees received in advance	7.2	1,593	1,346
Borrowings	7.3	523	670
Employee benefits	3.4	552	433
Total current liabilities		4,514	4,064
<u>Non-current liabilities</u>			
Payables	7.1	78	83
Borrowings	7.3	9,195	9,334
Employee benefits	3.4	727	783
Total non-current liabilities		10,000	10,200
Total liabilities		14,514	14,264
Net assets		84,905	83,192
<u>Equity</u>			
Retained earnings		23,284	21,571
Asset revaluation Surplus	8.1	61,621	61,621
Total equity		84,905	83,192

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

West Beach Trust

Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2019		61,621	20,432	82,053
Net result for 2019-20		-	1,139	1,139
Total comprehensive result for 2019-20		-	1,139	1,139
Balance at 30 June 2020		61,621	21,571	83,192
Net result for 2020-21		-	1,713	1,713
Total comprehensive result for 2020-21		-	1,713	1,713
Balance at 30 June 2021		61,621	23,284	84,905

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

West Beach Trust

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Fees and charges		18,530	15,837
SA Government grants, subsidies and transfers		1,273	1,093
Interest received		2	6
Other receipts		130	2,160
Cash generated from operations		19,935	19,096
<i>Cash outflows</i>			
Employee benefit payments		(7,773)	(7,368)
Payments for supplies and services		(6,599)	(5,750)
Interest paid		(278)	(340)
GST paid to the ATO		(863)	(782)
Income tax equivalent payments		(488)	-
Other payments		(509)	(756)
Cash used in operations		(16,510)	(14,996)
Net cash provided by/(used in) operating activities	8.2	3,425	4,100
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from sale of property, plant and equipment		2	33
Cash generated from investing activities		2	33
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(2,975)	(2,337)
Purchase of intangibles		(20)	(27)
Cash used in investing activities		(2,995)	(2,364)
Net cash provided by/(used in) investing activities		(2,993)	(2,331)
Cash flows from financing activities			
<i>Cash inflows</i>			
Proceeds from borrowings		433	767
Cash generated from financing activities		433	767
<i>Cash outflows</i>			
Repayment of borrowings		(591)	(1,010)
Repayment of principal portion of lease liabilities		(128)	(52)
Cash used in financing activities		(719)	(1,062)
Net cash provided by/(used in) financing activities		(286)	(295)
Net increase/(decrease) in cash and cash equivalents		146	1,474
Cash and cash equivalents at the beginning of the period		1,932	458
Cash and cash equivalents at the end of the period	6.1, 8.2	2,078	1,932

The accompanying notes form part of these financial statements.

West Beach Trust

NOTES TO THE FINANCIAL STATEMENTS

1. About the West Beach Trust	7
1.1 Basis of preparation.....	7
1.2 Functions and objectives.....	7
1.3 Impact of COVID-19 pandemic on the Trust.....	8
1.4 Taxation.....	8
1.5 Significant transactions with government related entities.....	8
2. Income	9
2.1 Fees and charges.....	9
2.2 SA Government grants, subsidies and transfers.....	9
2.3 Interest.....	9
2.4 Other income.....	9
3. Board, committees and employees	10
3.1 Key Management Personnel.....	10
3.2 Board and committee members.....	10
3.3 Employee benefit expenses.....	11
3.4 Employee benefits liability.....	11
4. Expenses	13
4.1 Supplies and services.....	13
4.2 Depreciation and amortisation.....	14
4.3 Borrowing costs.....	14
4.4 Net gain/loss from the disposal of non-current assets.....	15
4.5 Other expenses.....	15
5. Non-financial assets	16
5.1 Property, plant and equipment.....	16
5.2 Property, plant and equipment owned by the Trust.....	16
5.3 Property, plant and equipment leased by the Trust.....	18
5.4 Intangible assets.....	18
5.5 Inventories.....	19
6. Financial assets	20
6.1 Cash and cash equivalents.....	20
6.2 Receivables.....	20
7. Liabilities	21
7.1 Payables.....	21
7.2 Fees received in advance.....	21
7.3 Borrowings.....	22
8. Other disclosures	23
8.1 Equity.....	23
8.2 Cash flow.....	23
9. Outlook	24
9.1 Unrecognised contractual commitments.....	24
9.2 Contingent assets and liabilities.....	24
9.3 Impacts of standards and statements not yet effective.....	24
9.4 COVID-19 pandemic outlook for the Trust.....	25
9.5 Events after the reporting period.....	25
10. Measurement and risk	26
10.1 Long service leave liability – measurement.....	26
10.2 Fair value.....	26
10.3 Financial Instruments.....	28

West Beach Trust

1. About the West Beach Trust

The West Beach Trust (Trust) is a statutory authority of the State of South Australia, established pursuant to the *West Beach Recreation Reserve Act 1987*. The Trust is a body corporate subject to the control and direction of the Minister for Planning and Local Government.

The financial statements and accompanying notes cover the West Beach Trust as an individual reporting entity.

The Trust does not control any other entity and has no interests in unconsolidated structured entities.

1.1 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.

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based 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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Trust has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

1.2 Functions and objectives

The functions and objectives of the Trust are:

- a) to administer and develop the West Beach Recreation Reserve in accordance with its strategic and business plans -
 - 1) as a sporting, cultural and recreational complex of State-wide significance; and
 - 2) as a tourist attraction and resort; and
- b) to promote and encourage the use and enjoyment of the Reserve by the public; and
- c) to perform any other function assigned to the Trust by the *West Beach Recreation Reserve Act 1987* or the Minister.

West Beach Trust

1.3 Impact of COVID-19 pandemic on the Trust

The impacts of COVID-19 continued into the 2020-21 year.

Whilst the Trust's Accommodation tariffs have increased in percentage terms when compared to 2019-20, this was due to the 2019-20 year being more heavily impacted by COVID-19. The Trust's accommodation income for 2020-21 was still well below pre COVID Accommodation levels.

Accommodation is the Trust's major revenue stream and during 2020-21 it was impacted by continued border closures (impacting on visitors from interstate especially Victoria) and the cancellation of a number of local events and group activities. Toward the end of 2020-21 the Trust saw a return to near normal accommodation occupancy however still affected by border closures, several interstate lockdowns and general consumer confidence.

In the previous financial year, The Trust lodged a business interruption claim with SAICORP and an interim settlement payment of \$2 million was received in April 2020 on an open claim to 24 March 2021. Confirmation of an initial settlement amount of \$1.996 million was received in February 2021, with the variance of \$4,406 on the interim settlement brought to account in the 2020-21 financial year. The Trust's business interruption claim with SAICORP officially ended on 31 March 2021 with a further payment of \$1.782 million being confirmed in July 21 and recognised in the 2020-21 year as Other Income, closing out the claim.

Reference is also made to Note 2.1 and 2.2 which provides information on rent relief that has been provided to eligible community, sporting and commercial operators due to reduced income/job keeper payments as a result of COVID-19 restrictions.

1.4 Taxation

In accordance with *Treasurer's Instruction 22 Tax Equivalent Payments*, the Trust is required to pay to the SA Government an income tax equivalent. The income tax liability has been determined in accordance with the accounting profit method by multiplying the corporate income tax rate (presently 30%) by the profit before income tax equivalents. An income tax equivalent of \$734,105 (2019-20 \$488,164) is payable for the reporting period.

The Trust is also liable for payroll tax, fringe benefits tax, stamp duty, goods and services tax (GST), emergency services levy and land tax equivalents. It is exempt from paying local government council rates.

The Trust is reimbursed under the State's Tax Equivalent Regime for payments made for income tax, payroll tax, land tax and stamp duty to support its continued commitment to its community service obligations. The Trust is reimbursed by the Attorney-General's Department. The Trust was previously reimbursed by Department of Planning, Transport and Infrastructure (DPTI). Reimbursements under the State Taxation Equivalent Regime are recognised as revenue in the Trust's financial statements.

1.5 Significant transactions with government related entities

There were no significant transactions with government related entities, other than:

- payments to SA Water of \$609,000 for utilities.
- payments to DPTI of \$1,178,000, primarily for the project management and delivery of capital works. The majority of this amount was paid to contractors engaged by DPTI to construct new cabins at the West Beach Parks Retreat.
- total loan repayments of \$591,000 to SAFA, all of which was on long term borrowings.
- transactions as directed by legislation or under the State's Taxation Equivalent Regime.
- a \$1.782 million insurance settlement payment that was received from SAICORP in relation to the business interruption claim referred to in Note 1.3 above.

Similar transactions occurred during 2019-20.

West Beach Trust

2. Income

2.1 Fees and charges

	2021	2020
	\$'000	\$'000
Accommodation tariffs	11,774	10,387
Discounts allowed	(281)	(253)
Facilities and services	226	213
Golf income	3,448	2,866
Boat launching fees	98	113
Rental revenue *	626	556
Sale of goods	723	569
Total fees and charges	16,614	14,451

Revenue is recognised upon the provision of services and goods to customers.

* Rental revenue

During 2020-21, the Trust provided a full rent and on-cost waiver to all community, sporting and commercial operators leasing their facilities from the Trust whose operations had been substantially impacted as a result of COVID-19 restrictions during the period from the 1 July 2020 to 31 March 2021. The trust received an allocation of \$87,000 from the Community and Jobs Support Fund to support the provision of this rent relief. Rent relief was provided to 11 lessees during this period. In the previous year rent relief totalling \$140,000 was provided to 22 lessees.

2.2 SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
Allocation from the Community and Jobs Support Fund	87	140
Reimbursement of tax equivalents paid	1,501	1,432
Total revenues from SA Government	1,588	1,572

The allocation from the Community and Jobs Support Fund was provided to the Trust to support the provision of rent and on-cost relief as referenced in Note 2.1.

Tax equivalents represent income tax, payroll tax, land tax and stamp duty. The Trust is reimbursed these amounts under the State's Tax Equivalent Regime to support its continued commitment to its community service obligations. The Trust is reimbursed by the Attorney-General's Department. The Trust was previously reimbursed by DPTI.

2.3 Interest

	2021	2020
	\$'000	\$'000
Investments with SAFA	2	6
Total interest revenues	2	6

2.4 Other income

	2021	2020
	\$'000	\$'000
Lessee on-charges	55	31
Insurance payment - Business interruption claim	1,782	2,000
Insurance recovery - Stolen or damaged items	-	30
Other	75	99
Total other income	1,912	2,160

The \$1.782 million insurance payment recognised in 2020-21 represents a COVID 19 related business interruption claim for the period 1 July 2020 to 24 March 2021 lodged with SAICORP. Payment was received in July 2021. The prior year insurance payment of \$2 million related to the COVID 19 related business interruption claim for the period 25 March to 30 June 2020.

West Beach Trust

3. Board, committees and employees

3.1 Key management personnel

Key management personnel of the Trust are the Minister for Planning and Local Government, Members of the Board, the Chief Executive Officer and the three (2019-20 three) members of the Executive Team who have responsibility for the strategic direction and management of the Trust.

Total compensation for key management personnel was \$852,000 in 2020-21 and \$803,000 in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Planning and Local Government 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 of the *Parliamentary Remuneration Act 1990*.

	2021	2020
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	780	723
Post-employment benefits	72	68
Other long-term employment benefits	-	12
Total compensation	852	803

Transactions with key management personnel and other related parties

No transactions have been identified.

3.2 Board and committee members

Members of the board during the 2020-21 financial year were:

WBT Board

Ms Jane Jeffreys (Chair)
Ms Leonie Boothby (Deputy Chair) (term expired 31 December 2020)
Ms Tiffany Young (Deputy Chair) (appointed 1 January 2021)
Ms Deborah Black
Ms Patricia Christie
Ms Rosemary Clancy (term expired 31 December 2020)
Ms John Woodward
Mr Tolley Wasylenko (term expired 31 December 2020)
Mr Adrian Ralph (appointed 1 January 2021)
Ms Rebecca Abley (appointed 1 January 2021)

Board Remuneration

The number of Board members whose remuneration received or receivable from the Trust fell within the following bands was:

	2021	2020
\$0 - \$19,999	9	7
\$20,000 - \$39,999	1	1
Total number of members	10	8

The total remuneration received or receivable by members was \$103,000 (\$103,000). Remuneration of members consists of sitting fees and superannuation contributions.

West Beach Trust

3.3 Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	6,227	5,638
Long service leave	15	(8)
Annual leave	435	406
Skills and experience retention leave	18	8
Employment on-costs - superannuation *	635	578
Board and committee fees	94	94
Payroll tax	333	299
Workers compensation	134	110
Other employee related expenses	16	18
Total employee benefits expenses	7,907	7,143

Employment on-costs - superannuation

* The superannuation employment on-cost charge represents the Trust's contributions to superannuation plans in respect of current services of current employees.

Executive Remuneration

	2021	2020
	No	No
The number of employees whose remuneration received falls within the following bands:		
\$154 001 to \$174 000	-	2
\$174 001 to \$194 000	2	-
\$254 001 to \$274 000	1	1
Total number of employees	3	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 of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$617,000 (\$590,000).

3.4 Employee benefits liability

	2021	2020
	\$'000	\$'000
Current		
Accrued salaries and wages	137	98
Annual leave	304	228
Long service leave	92	90
Skills and experience retention leave	19	17
Total current employee benefits	552	433
Non-current		
Long service leave	727	783
Total non-current employee benefits	727	783
Total employee benefits	1,279	1,216

Employee benefits accrue 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.

West Beach Trust

Salaries and Wages, Annual Leave, Skills and Experience Retention Leave (SERL) 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 and the Skills and Experience Retention Leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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 employees is estimated to be less than the annual entitlement for sick leave.

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability are provided in note 10.1.

The assumed proportion of long service leave taken as leave for current liability reporting is based on historical leave records of the Trust.

West Beach Trust

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1 Supplies and services

	2021	2020
	\$'000	\$'000
Bank fees and charges	122	105
Commissions payable	221	223
Consultants	84	28
Contractors	385	277
Cost of sales	610	460
Human resources and recruitment	145	112
Information technology expenses	291	246
Insurance	207	183
Legal costs	84	56
Marketing and public relations	406	407
Motor vehicle expenses	41	51
Short term leases	7	76
Low value leases	7	18
Postage and telephone	78	79
Repairs and maintenance	863	748
Security	235	234
Staff training and development	47	27
Utilities	1,255	1,369
Waste and recycling	146	122
Other supplies and services	513	391
Total supplies and services	5,747	5,212

Insurance

The Trust has arranged, through SAICORP, to insure all major risks of the Trust. The excess payable under this arrangement varies depending on each class of insurance held.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2021		2020	
	No	\$'000	No	\$'000
Below \$10,000	7	23	4	12
Above \$10,000	2	61	1	16
Total paid /payable to the consultants engaged	9	84	5	28

West Beach Trust

4.2 Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Buildings and improvements	2,121	2,058
Plant and equipment	822	861
Right-of-use land	65	65
Right-of-use plant and equipment	83	14
Intangible assets	85	93
Total depreciation and amortisation	3,176	3,091

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

The value of leasehold improvements is depreciated over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

The Trust last revalued its buildings and improvements at 30 June 2019. Further information on the revaluation is disclosed in note 10.2

Land is not depreciated.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Useful Life

Depreciation/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 and improvements	1 to 100
Plant and equipment	1 to 30
Right-of-use land	15
Right-of-use plant and equipment	5
Intangibles	3 to 10

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

4.3 Borrowing costs

	2021	2020
	\$'000	\$'000
Interest expense on borrowings measured at amortised cost	140	186
Guarantee fees expense on borrowings measured at amortised cost	103	117
Interest expense on lease liabilities	34	31
Total borrowing costs	277	334

The Trust does not capitalise borrowing costs.

West Beach Trust

4.4 Net gain/loss from the disposal of non-current assets

	2021	2020
	\$'000	\$'000
Plant and equipment		
Proceeds from disposal	2	33
Less net book value of assets disposed	8	48
Net gain/(loss) from disposal of plant and equipment	(6)	(15)

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is not transferred to retained earnings.

4.5 Other expenses

	2021	2020
	\$'000	\$'000
Audit fees	54	53
Bad debts and allowances for doubtful debts	9	2
Expensing of items previously classified as work in progress	38	-
Federal land tax equivalent	21	57
Property, plant and equipment write-offs	-	9
Stamp duty	23	20
State land tax	411	626
Total other expenses	556	767

Audit fees

The audit fees were paid / payable to the Auditor-General's Department in relation to the work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

West Beach Trust

5. Non-financial assets

5.1 Property, plant and equipment

	2021	2020
	\$'000	\$'000
Land		
Land at fair value	54,909	54,909
Total land	54,909	54,909
Buildings and improvements		
Buildings and improvements at fair value	35,216	35,216
Buildings and improvements at cost (deemed fair value)	3,603	929
Less: Accumulated depreciation	(4,198)	(2,077)
Total buildings and improvements	34,621	34,068
Plant and equipment		
Plant and equipment at cost (deemed fair value)	9,768	9,234
Less: Accumulated depreciation	(6,496)	(5,768)
Total plant and equipment	3,272	3,466
Work in progress		
Buildings and improvements	341	713
Total work in progress	341	713
Right-of-use land		
Right-of-use land at fair value	970	970
Less: Accumulated depreciation	(130)	(65)
Total right-of-use land	840	905
Right-of-use plant and equipment		
Right-of-use plant and equipment at fair value	413	413
Less: Accumulated depreciation	(97)	(14)
Total right-of-use plant and equipment	316	399
Total property, plant and equipment	94,299	94,460

5.2 Property, plant and equipment owned by the Trust

Property, plant and equipment owned by the Trust with a value equal to or in excess of \$1,000 is capitalised. Certain assets below this amount are capitalised initially to assist with asset management and planning.

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Plant and equipment includes operating machinery and vehicles that are fully depreciated but still in use. These have an estimated gross carrying value of approximately \$1,154,000. Examples of these include turf maintenance machinery, maintenance vans and housekeeping buggies.

Impairment

The Trust holds its property, plant and equipment for their service potential (value in use).

There were no indications of impairment of property, plant and equipment assets as at 30 June 2021.

West Beach Trust

Reconciliation 2020-21

	Land \$'000	Buildings and improvements \$'000	Plant and equipment \$'000	Work In Progress \$'000	Right-of-use assets \$'000	Total \$'000
Carrying amount at 1 July 2020	54,909	34,068	3,466	713	1,304	94,460
Acquisitions	-	2,082	636	258	-	2,976
Transfers from Work in progress	-	592	-	(592)	-	-
Disposals eg sales, write offs	-	-	(8)	(38)	-	(46)
Depreciation	-	(2,121)	(822)	-	(148)	(3,091)
Initial asset recognition (AASB 16)	-	-	-	-	-	-
Carrying amount at 30 June 2021	54,909	34,621	3,272	341	1,156	94,299

Reconciliation 2019-20

	Land \$'000	Buildings and improvements \$'000	Plant and equipment \$'000	Work In Progress \$'000	Right-of-use assets \$'000	Total \$'000
Carrying amount at 1 July 2019	54,909	35,253	3,535	99	-	93,796
Acquisitions	-	882	840	614	413	2,749
Disposals eg sales, write offs	-	(9)	(48)	-	-	(57)
Depreciation	-	(2,058)	(861)	-	(79)	(2,998)
Initial asset recognition (AASB 16)	-	-	-	-	970	970
Carrying amount at 30 June 2020	54,909	34,068	3,466	713	1,304	94,460

West Beach Trust

5.3 Property, plant and equipment leased by the Trust

Property, plant and equipment leased by the Trust is recorded at cost. There were no additions to leased property, plant and equipment during 2020-21.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Trust has a limited number of leases:

- a parcel of land, in accordance with a lease that commenced on 9 July 2014 and expires on 30 June 2034. The right-of-use asset is being depreciated over a useful life of 15 years which is consistent with the remaining term of this lease from the initial recognition in accordance with *AASB 16 Leases* on 1 July 2019.
- 30 new golf carts, in accordance with an agreement that requires 36 monthly rental payments commencing 1 May 2020 and expiring 30 April 2023. At the end of the lease term the Trust will take ownership of the carts on payment of a guaranteed residual payment. The right-of-use asset has been assessed as having a 5 year useful life for depreciation expense purposes.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The Trust's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.1 and 4.2. Cash outflows related to leases are disclosed in note 8.2

Impairment

Property, plant and equipment leased by the Trust have been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4 Intangible assets

	2021	2020
	\$'000	\$'000
Purchased computer software	834	868
Less: Accumulated amortisation	(686)	(655)
Total intangible assets	148	213

An intangible asset is an identifiable non-monetary asset without physical substance. 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 acquisition of computer software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of the expenditure is equal to or in excess of \$1,000.

West Beach Trust

Reconciliation of 2020-21

	Purchased computer software \$'000
Carrying amount at the beginning of the period	213
Acquisitions	20
Amortisation	(85)
Carrying amount at the end of the period	148

Reconciliation of 2019-20

	Purchased computer software \$'000
Carrying amount at the beginning of the period	279
Acquisitions	27
Amortisation	(93)
Carrying amount at the end of the period	213

5.5 Inventories

	2021 \$'000	2020 \$'000
<u>Current - held for distribution at no or nominal amount</u>		
Materials at cost	4	3
Total current inventories held for distribution at no or nominal amount	4	3
<u>Current - held for sale</u>		
Goods at cost	65	62
Total current other inventories - held for sale	65	62
Total inventories	69	65

Inventories held for distribution, at no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Cost of inventories

The cost recognised as an expense for materials and goods for resale is \$610,000. There was a net increase in inventories for the period of \$4,000.

West Beach Trust

6. Financial assets

6.1 Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Cash at bank or on hand	1,054	659
Short-term deposits with SAFA	1,024	1,273
Total cash and cash equivalents	2,078	1,932

Cash is measured at nominal amounts. There are no restrictions over any of the Trust's cash balances.

Cash at bank or on hand

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate, based on daily bank deposit rates.

Short-term deposits

Short term deposits are lodged on an at call basis through the SAFA Cash Management Facility. These funds, which are guaranteed by the Treasurer, earn an interest rate which is aligned to the RBA official cash rate plus a margin determined by SAFA.

6.2 Receivables

	2021	2020
	\$'000	\$'000
Current		
Receivables		
From government entities	4	42
From non-government entities	60	93
Less allowance for doubtful debts	-	-
Total receivables	64	135
Prepayments	91	104
Accrued revenues	2,670	547
Total current receivables	2,825	786

No amounts within receivables are expected to be recovered more than 12 months after reporting date.

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The net amount of GST payable to the ATO is included as part of receivables.

Refer to note 10.3 for further information on risk management.

Accrued revenues include a \$1.782 million insurance payment recognised in 2020-21 that relates to a COVID 19 related business interruption claim for the period 1 July 2020 to 24 March 2021 lodged with SAICORP. Payment was received in July 2021.

Impairment of receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Increase in allowance recognised in the profit or loss	9	2
Amounts written off	(9)	(2)
Carrying amount at the end of the period	-	-

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

West Beach Trust

7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1 Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors	513	847
Accrued expenses	1,027	735
GST payable	218	(16)
Employment on costs	88	49
Total Current payables	1,846	1,615
Non-current		
Employment on costs	78	83
Total Non-current payables	78	83
Total payables	1,924	1,698

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days. Employment on-costs are settled when respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables approximates the net fair value due to the amounts being payable on demand.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, Return to Work SA levies and superannuation contributions. The Trust makes contributions to State Government superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the average factor for the calculation of employer superannuation cost on-costs has changed from the 2020 rate of 9.8% to 10.1%. These rates are used in the employment on-cost calculation. The net financial effect of the change in employer superannuation on-cost rates is an increase in the employment on-costs of \$2,000.

There is a net increase in the employment on-costs payable of \$34,000. This is primarily due to increases in accrued salaries and wages and annual leave liability, in comparison to the previous year.

7.2 Fees received in advance

	2021	2020
	\$'000	\$'000
Current		
Fees received in advance	1,593	1,346
Total Fees received in advance	1,593	1,346

This amount represents accommodation tariff deposits and booking payments, annual golf membership playing rights and annual boat launch permit fees collected in advance. The advance portion of any payment of lease and licence fees for use of parcels of land and buildings across the precinct is also included.

West Beach Trust

7.3 Borrowings

	2021	2020
	\$'000	\$'000
Current		
Borrowings from SA Government	389	542
Lease liabilities	134	128
Total current borrowings	523	670
Non-current		
Borrowings from SA Government	8,127	8,133
Lease liabilities	1,068	1,201
Total non-current borrowings	9,195	9,334
Total borrowings	9,718	10,004

The Trust measures financial liabilities including borrowings/debt at historical cost. All interest bearing liabilities have been sourced from the SA Government Financing Authority.

All material cash outflows are reflected in the lease liabilities disclosed above.

Borrowings from SA Government

These are unsecured loans which do bear interest. The terms of the loan were approved by Treasurer at the time the loan were provided.

The Trust has a \$8,517,000 (2019-20 \$8,675,000) loan facility with the South Australian Government Financing Authority. At the time of preparing the Financial Statements, the Trust still has \$1.1m in loan funding to drawdown on the \$1.75m Treasurer approved loan funding to construct new Cabins at the West Beach Parks Retreat. Construction of these Cabins was completed in November 2020.

The Trust has a \$2,500,000 (2019-20 \$2,500,000) working capital facility with the South Australian Government Financing Authority. As at 30 June 2021 there were no drawings on this facility (2019-20 \$Nil).

West Beach Trust

8. Other disclosures

8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are not transferred to retained earnings when an asset is derecognised.

8.2 Cash flow

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

Total cash outflows for leases was \$128,000 (2020: \$52,000).

Reconciliation of net result to cash flows from operating activities

	2021	2020
	\$'000	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period:</u>		
Cash and cash equivalents disclosed in the Statement of Financial Position	2,078	1,932
Balance as per the statement of Cash Flows	2,078	1,932

Reconciliation of net cost of providing services to net cash provided by operating activities:

Net result from providing services	1,713	1,139
<u>Add/less non cash items</u>		
Depreciation and amortisation expense of non-current assets	3,176	3,091
Gain/loss on sale or disposal of non-current assets	6	15
Expensing of items previously classified as work in progress	38	-
Property, plant and equipment write-offs	-	9
<u>Movement in assets and liabilities</u>		
(Increase)/decrease in receivables	(2,040)	(455)
(Increase)/decrease in inventories	(4)	(7)
Increase/(decrease) in payables	226	624
Increase/(decrease) in fees received in advance	247	(146)
Increase/(decrease) in employee benefits	63	(170)
Net cash provided by operating activities	3,425	4,100

West Beach Trust

9. Outlook

9.1 Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value

Capital commitments

	2021 \$'000	2020 \$'000
Within one year	-	1,203
Total capital commitments	-	1,203

The Trust's has no major capital commitments as at the reporting date. The prior year commitments related to the construction of new cabins at the West Beach Parks Retreat, construction of which was completed in November 2020.

Expenditure commitments

	2021 \$'000	2020 \$'000
Within one year	6	6
Later than one year but not longer than five years	-	6
Total expenditure commitments	6	12

The Trust's expenditure commitments are for computer equipment which has been classified as a low value lease given the underlying asset value of the equipment being leased is low.

Operating leases receivable

	2021 \$'000	2020 \$'000
<u>Commitments in relation to operating lease income contracted for at the reporting date but not recognised as assets are receivable as follows:</u>		
Within one year	684	683
Later than one year but not longer than five years	1,485	1,671
Later than five years	4,967	5,214
Total operating leases receivable	7,136	7,568

All operating leases receivable of \$7,136,000 (\$7,568,000) are from entities external to the SA government, and are for parcels of land and buildings leased to various sporting organisations and commercial operators.

9.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Trust is not aware of any contingent assets or liabilities.

9.3 Impacts of standards and statements not yet effective

The Trust has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective, and there is no expected impact on the Trust's general purpose financial statements.

West Beach Trust

9.4 COVID-19 pandemic outlook for the Trust

The COVID-19 pandemic will continue to impact the operations and financial position of the Trust during 2021-22.

Both accommodation properties continue to be impacted by border closures, interstate lock downs and the cancellation of a number of local and national events and group activities.

Cost control strategies are continuing but it should be noted that there is an increased cost associated with operating in a COVID-19 environment, especially cleaning and hygiene requirements. The Trust has attempted to return to a near normal capital works programme in 2021-22 however with projects scheduled throughout the year to mitigate any major COVID-19 impacts.

The fragility of the economic climate, consumer confidence and continued border closures is also a concern for interstate domestic travel, noting that the Trust's key interstate markets are Victoria and NSW.

The 7 day lock down in South Australia during July 2021, has had an impact on the July results due to Accommodation and group booking cancellations. This is expected to continue into August 2021 however the Trust continues to build on its marketing strategies in order to attract and retain new business.

9.5 Events after the reporting period

The Trust is not aware of any events after the end of the reporting period that will have a material financial impact except for COVID-19 related lock downs referred to in Note 9.4 above. The Trust's response to a lock down is now streamlined with a COVID response established. The trust continues to be nimble in order to return back from a lockdown period quickly (in line with Government restrictions) and continue to activate Marketing plans to ensure that the Trust continues to attract and return new business to compensate for interstate travellers and lockdowns.

West Beach Trust

10. Measurement and risk

10.1 Long service leave liability – measurement

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

The actuarial assessment performed by the Department of Treasury and Finance 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. These assumptions are based on employee data over SA government entities.

AASB 119 Employee Benefits 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 increased from 2020 (0.75%) to 2021 (1.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$104,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The portion of estimated long service leave that is classified as current is based on an assessment of the pattern of leave taken or paid out over the last 10 years.

10.2 Fair value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial 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. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The policy of the Trust is that land, buildings and improvements will be revalued by an external professionally qualified valuer every 5 years. A valuation was undertaken as at 30 June 2019 in line with this policy. 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.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

West Beach Trust

Fair value hierarchy

The Trust classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Trust's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

All property, plant and equipment of the Trust are categorised in Level 3.

Land and buildings and improvements

An independent valuation of land and buildings and improvements was performed in February 2019 by a Certified Practising Valuer from Jones Lang Lasalle SA Pty Ltd, as at 30 June 2019.

The valuer used adjusted market value for land and depreciated replacement cost for buildings and improvements, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Plant and equipment

Plant and equipment acquisitions have been recognised at cost. The carrying value of plant and equipment is deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

West Beach Trust

10.3 Financial Instruments

Financial risk management

Risk is managed by the application of the West Beach Trust Risk Management Framework.

The Trust's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

Liquidity risk arises where the Trust is unable to meet its financial obligations as they are due to be settled. The Board, Executive and Senior Management are responsible for monitoring and ensuring its operations are prudently maintained. Liquidity is managed on a daily basis and monthly reports are submitted to the Board, Executive and Senior Management and the Department of Treasury and Finance. The Trust generally settles undisputed accounts within 30 days from the date of invoice or the date the invoice is first received. In the event of a dispute, payment is generally made 30 days from resolution.

An assessment of liquidity risk has been undertaken by the Chief Executive Officer and General Manager Corporate Services and based on past experience and knowledge of seasonal trends, management is confident that the Trust will be able to meet its financial obligations as and when they fall due. Cash flow updates are included in the Trust's Board papers provided to Board members monthly.

Refer to notes 7.1 and 7.3 for further information

Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The Trust has minimal concentration of credit risk. The Trust has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Trust does not engage in high risk hedging for its financial assets.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Trust uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Trust is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

West Beach Trust

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Trust and a failure to make contractual payments within a reasonable time frame.

There were no receivables written off during the year that are still subject to enforcement activity

The Trust considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Trust does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Trust does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The Trust's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a regular basis. There is no exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

West Beach Trust

Classification of financial instruments

The Trust measures all financial instruments at amortised cost.

	2021	2021 Contractual maturities		
	Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and equivalent				
Cash and cash equivalent	2,078	2,078	-	-
Financial assets at amortised cost				
Receivables	88	88	-	-
Total financial assets	2,166	2,166	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	712	712	-	-
Fees received in advance	1,593	1,593	-	-
Borrowings	8,516	392	1,627	6,497
Lease liabilities	1,202	134	445	623
Total financial liabilities	12,023	2,831	2,072	7,120

	2020	2020 Contractual maturities		
	Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and equivalent				
Cash and cash equivalent	1,932	1,932	-	-
Financial assets at amortised cost				
Receivables	98	98	-	-
Total financial assets	2,030	2,030	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	534	534	-	-
Fees received in advance	1,346	1,346	-	-
Borrowings	8,675	542	1,480	6,653
Lease liabilities	1,329	128	500	701
Total financial liabilities	11,884	2,550	1,980	7,354

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth and State taxes, fees and charges). 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 levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts are carried at cost.

The receivables amount disclosed here excludes prepayments. Prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.