

Carrick Hill Trust

Financial report
for the year ended
30 June 2018



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To the Chair Carrick Hill Trust

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 18(3) of the *Carrick Hill Trust Act 1985*, I have audited the financial report of the Carrick Hill Trust for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Carrick Hill Trust as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Director and the Manager Finance and Administration.

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 Carrick Hill 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 have been met.

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

Responsibilities of the Director and members of the Trust for the financial report

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated 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.

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

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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- 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 Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

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

Andrew Richardson

Auditor-General

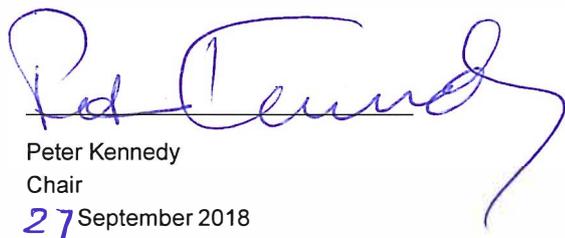
27 September 2018

Carrick Hill Trust
Certification of the Financial Statements
for the year ended 30 June 2018

We certify that the attached general purpose financial statements for the Carrick Hill Trust:

- 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 Carrick Hill Trust
- present a true and fair view of the financial position of the Carrick Hill Trust as at 30 June 2018 and the results of its operations and cash flows for the financial year.

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



Peter Kennedy
Chair
27 September 2018



Christine Schloithe
Director 27
September 2018



Belinda Causby
Manager Finance & Administration
27 September 2018

Carrick Hill Trust

Financial Statements

For the year ended 30 June 2018

Carrick Hill Trust
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<u>Expenses</u>			
Employee benefits expenses	3	1 002	919
Supplies and services	5	509	584
Accommodation and facilities	6	241	153
Depreciation and amortisation expenses	7	175	181
Total expenses		1 927	1 837
<u>Income</u>			
Donations		219	155
Resources received free of charge	8	141	148
Admissions		146	142
Facilities hire		80	81
Rent		46	46
Sale of goods		45	41
Donations of heritage assets		3	22
Grants		-	18
Sponsorship		19	17
Interest		12	11
Other		53	55
Total income		764	736
Net cost of providing services		1 163	1 101
<u>Revenues from SA Government</u>			
Revenues from SA Government	9	1 168	998
Total revenues from SA Government		1 168	998
Net result		5	(103)
Total comprehensive result		5	(103)

The net result and total comprehensive result are attributable to the SA Government as owner.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Carrick Hill Trust
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<u>Current assets</u>			
Cash and cash equivalents	10	684	678
Receivables	11	56	15
Inventories	12	17	15
Total current assets		757	708
<u>Non-current assets</u>			
Property, plant and equipment	14	10 798	10 929
Intangible assets	15	3	6
Heritage collections	16	37 254	37 251
Total non-current assets		48 055	48 186
Total assets		48 812	48 894
<u>Current liabilities</u>			
Payables	17	60	42
Employee benefits	18	112	102
Provisions	19	1	1
Unearned income		20	47
Total current liabilities		193	192
<u>Non-current liabilities</u>			
Payables	17	5	13
Employee benefits	18	58	139
Provisions	19	2	1
Unearned income		4	4
Total non-current liabilities		69	157
Total liabilities		262	349
Net assets		48 550	48 545
<u>Equity</u>			
Asset revaluation surplus		40 516	40 516
Retained earnings		8 034	8 029
Total equity		48 550	48 545

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments

20

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Carrick Hill Trust
Statement of Changes in Equity
for the year ended 30 June 2018

	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2016	40 516	8 132	48 648
<u>Net result for 2016-17</u>	-	(103)	(103)
Gain on revaluation of heritage collections	-	-	-
Total comprehensive result for 2016-17	-	(103)	(103)
Balance at 30 June 2017	40 516	8 029	48 545
<u>Net result for 2017-18</u>	-	5	5
Gain on revaluation of heritage collections	-	5	5
Total comprehensive result for 2017-18	-	5	5
Balance at 30 June 2018	40 516	8 034	48 550

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

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Carrick Hill Trust
Statement of Cash Flows
for the year ended 30 June 2018

	2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
<u>Cash flows from operating activities</u>		
Cash outflows		
Employee benefits payments	(1 079)	(959)
Payments for supplies and services	(342)	(407)
Payments for accommodation and facilities	(241)	(153)
Cash used in operations	(1 662)	(1 519)
Cash inflows		
Donations	219	155
Admissions	146	142
Facilities hire	53	66
Rent	46	46
Sale of goods	4	38
Grants	-	18
Interest	12	11
Sponsorships	8	8
Other	53	55
Cash generated from operations	541	539
Cash flows from SA government		
Receipts from SA Government	1 168	998
Cash generated from SA government	1 168	998
Net cash provided by operating activities	47	18
<u>Cash flows from investing activities</u>		
Cash outflows		
Purchase of property, plant and equipment	(41)	-
Cash used in investing activities	(41)	-
Cash inflows		
Proceeds from the sale of property, plant and equipment	-	7
Cash generated from investing activities	-	7
Net cash (used in) / provided by investing activities	(41)	7
Net increase in cash and cash equivalents	6	25
Cash and cash equivalents at the beginning of the period	678	653
Cash and cash equivalents at the end of the period	684	678

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The Carrick Hill Trust (the Trust) is constituted pursuant to section 4 of the *Carrick Hill Trust Act 1985* (the Act).

The Trust does not control any other entity and has no interests in unconsolidated structured entities. The Trust has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

1.2 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The Trust has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Trust 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 Trust for the period ending 30 June 2018.

1.3 Basis of preparation

The financial statements have been prepared based on a 12 month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$,000)

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.

Significant accounting policies are set out in the notes.

1.4 Taxation

The Trust is not subject to Income Tax. The Trust is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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 (ATO), 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
- receivables and payables, which are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the ATO is not included as part of receivables or payables in the Statement of Financial Position. The Trust is a member of an approved GST group of which Arts South Australia, a division of the Department of State Development, is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

2 Objectives and Activities

2.1 Objectives

The Trust is committed to preserving and improving the real and personal property forming the original Hayward Bequest to the South Australian Government in 1983, and to encourage the use of the property as a widely based cultural, botanical and recreational resource.

2.2 Activities

The activities of the Trust are:

- a) to administer, develop and maintain Carrick Hill for any one or more of the following purposes:
 - as a gallery for the display of works of art
 - as a museum
 - as a botanic garden
- b) to promote and encourage the interest of the public in Carrick Hill, its collections and the services and amenities provided by the Trust
- c) to perform any other functions assigned to the Trust by this Act or the Minister

3 Employee benefits expenses

	2018	2017
	\$'000	\$'000
Salaries and wages	780	732
Employment on-costs - superannuation *	76	68
Annual leave	73	61
Employment on-costs - other	47	43
Board fees	6	7
Long service leave	14	6
Skills and experience retention leave	-	1
Other staff related expenses	6	1
Total employee benefits expenses	1 002	919

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

Key management personnel

Key management personnel of the Trust include the Minister of the Arts, the Presiding Member and members, and members of the Executive Team who have responsibility for the strategic direction and management of the Trust.

Total compensation for the Trust's key management personnel was \$131 000 (2017: \$129 000).

The compensation disclosed in this note excludes salaries and other benefits the Minister of the Arts receives. 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 DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

Remuneration of employees

There were no staff whose remuneration exceeded the executive base level remuneration rate of \$149 000 in 2017-18 or in 2016-17.

4 Remuneration of board members

Members during the 2017-18 financial year were:

Carrick Hill Trust Board

PH Kennedy (Chair)

KM Kerrigan

KB Lloyd AM

SW Mason (appointed 22 August 2017)

SL McCormick * (resigned 31 January 2018)

MJ Picton

DA Schultz

Cr L Taeuber

* In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

The number of members whose remuneration received or receivable falls within the following band:

	2018	2017
\$0 - \$9 999	7	9
Total	7	9

Remuneration of members reflects all costs of performing board member duties including sitting fees, 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 or receivable by members was \$7 000 (2017: \$7 000).

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

5 Supplies and services

	2018	2017
	\$'000	\$'000
Insurance	58	90
Administration	28	85
Artlab conservation services	106	77
Business services charge	35	56
Marketing	33	49
Maintenance	13	44
Cost of goods sold	24	20
Audit fees	18	18
Minor equipment	33	18
Motor vehicle expenses	18	17
Consultants	1	16
Research and collection	7	15
Contractors	34	14
Information technology & communication	11	9
Exhibitions	3	6
Projects	42	2
Other supplies and services	45	48
Total supplies and services	509	584

Operating Leases

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

Consultants

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

	2018	2018	2017	2017
	Number	\$'000	Number	\$'000
Below \$10 000	1	1	4	16
Total paid / payable to the consultants engaged	1	1	4	16

6 Accommodation and facilities

	2018	2017
	\$'000	\$'000
Accommodation	105	74
Facilities	136	79
Total accommodation and facilities	241	153

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

7 Depreciation and amortisation expense

	2018	2017
	\$'000	\$'000
Buildings and improvements	169	174
Plant and equipment	3	4
Intangible assets	3	3
Total depreciation and amortisation	175	181

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. Land is not depreciated.

Useful life

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and improvements	10-100
Plant and equipment	3-10

Heritage collections are kept under special conditions so that there is no physical deterioration and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

Revision 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 useful 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, which is a change in accounting estimate.

8 Resources received free of charge

	2018	2017
	\$'000	\$'000
Services received free of charge - Shared Services SA	35	71
Artlab Conservation services	106	77
Total resources received free of charge	141	148

On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2017-18, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies.

Under *AASB 1004 Contributions*, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements. Resources received free of charge are recorded as income and expenditure in the Statement of Comprehensive Income at their fair value.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

Under an arrangement with Arts South Australia and Artlab Australia, divisions of the Department of State Development, Artlab Australia receives SA Government appropriation to perform conservation services on the Trust's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount included as conservation work expenditure in note 5.

9 Revenues from SA Government

	2018	2017
	\$'000	\$'000
Revenues from SA Government		
Recurrent operating grant	1 168	998
Total revenues from SA Government	1 168	998

The Trust receives an annual operating grant from Arts South Australia (a division of the Department of State Development), which is recognised on receipt.

10 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	681	675
Cash on hand	3	3
Total cash and cash equivalents	684	678

Cash and cash equivalents are measured at nominal amounts.

Deposits with the Treasurer

Deposits with the Treasurer are a combination of funds held in the "Carrick Hill Trust", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987*, and funds held in the Arts & Cultural Development Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the *Public Finance and Audit Act 1987*.

11 Receivables

	2018	2017
	\$'000	\$'000
<u>Current</u>		
Receivables	56	15
Total current receivables	56	15

Interest rate and credit risk

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Trust will not be able to collect the debt.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

12 Inventories

	2018	2017
	\$'000	\$'000
<u>Inventories held for distribution at no or nominal amount</u>		
Inventories held for distribution - at cost	17	15
Total inventories	17	15

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential.

13 Non-current assets

Revaluation

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Land and buildings and heritage collections are revalued at least every six years via Certified Practising Valuer or internal estimates based on indices or recent transactions. If at any time management considers 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. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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. 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 Trust has taken into account the characteristics of the asset and the asset's highest and best use.

The Trust's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Trust 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.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

14 Property, plant and equipment

	2018	2017
	\$'000	\$'000
<u>Land</u>		
Land at fair value	7 950	7 950
Total land	7 950	7 950
<u>Buildings and improvements</u>		
Buildings and improvements at fair value	9 716	9 675
Accumulated depreciation	(6 870)	(6 701)
Total buildings and improvements	2 846	2 974
<u>Plant and equipment:</u>		
Plant and equipment at cost (deemed fair value)	127	127
Accumulated depreciation	(125)	(122)
Total plant and equipment	2	5
Total property, plant and equipment	10 798	10 929

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. 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. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised.

Valuation of land, buildings and improvements

An independent valuation of land and buildings was performed by Fred Taormina an independent valuer from Valcorp Australia Pty Ltd as at 30 June 2014. The valuer arrived at fair value based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

Carrying amount of plant and equipment

All items of plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with Accounting Policy Framework *Asset Accounting Framework* (APF III). The carrying values of these items are deemed to approximate fair value.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

Reconciliation of property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Work in progress	Total
2018	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7 950	2 974	5	-	10 929
Acquisitions	-	41	-	-	41
Depreciation and amortisation expenses	-	(169)	(3)	-	(172)
Carrying amount at the end of period	7 950	2 846	2	-	10 798

	Land	Buildings and improvements	Plant and equipment	Work in progress	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7 950	3 148	19	-	11 117
Disposals	-	-	(10)	-	(10)
Depreciation and amortisation expenses	-	(174)	(4)	-	(178)
Carrying amount at the end of period	7 950	2 974	5	-	10 929

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

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value. The Trust also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

15 Intangible assets

	2018	2017
	\$'000	\$'000
Computer software	13	13
Accumulated amortisation	(10)	(7)
Total intangible assets	3	6

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 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.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

	<u>Intangibles</u>	<u>Total</u>
	\$'000	\$'000
2018		
Carrying amount at the start of the period	6	6
Amortisation	(3)	(3)
Carrying amount at the end of the period	3	3

	<u>Intangibles</u>	<u>Total</u>
	\$'000	\$'000
2017		
Carrying amount at the start of the period	9	9
Amortisation	(3)	(3)
Carrying amount at the end of the period	6	6

Impairment

There were no indications of impairment of intangible assets at 30 June 2018.

16 Heritage collections

	<u>At</u>		<u>Total</u>
	valuation	At cost	\$'000
	\$'000	\$'000	\$'000
2018			
Paintings, works on paper and sculptures	35 725	5	35 730
Furniture and artefacts	1 170	20	1 190
Books	334	-	334
Total heritage collections	37 229	25	37 254

	<u>At</u>		<u>Total</u>
	valuation	At cost	\$'000
	\$'000	\$'000	\$'000
2017			
Paintings, works on paper and sculptures	35 725	2	35 727
Furniture and artefacts	1 170	20	1 190
Books	334	-	334
Total heritage collections	37 229	22	37 251

Valuation of heritage collections

The Trust's collections have been valued at fair value using a market approach in accordance with APF III APS 8.4 as at 30 June 2016. Helen Miller of Aon Risk Solutions determined the valuation.

Carrick Hill Trust
Notes to the financial statements
for the year ended 30 June 2018

Reconciliation of heritage collections

	Paintings, works on paper and sculptures	Furniture and artefacts	Books	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Carrying amount at the beginning of the period	35 727	1 190	334	37 251
Additions	3	-	-	3
Carrying amount at the end of the period	35 730	1 190	334	37 254

	Paintings, works on paper and sculptures	Furniture and artefacts	Books	Total
	\$'000	\$'000	\$'000	\$'000
2017				
Carrying amount at the beginning of the period	35 725	1 170	334	37 229
Additions	2	20	-	22
Carrying amount at the end of the period	35 727	1 190	334	37 251

17 Payables

	2018 \$'000	2017 \$'000
<u>Current</u>		
Creditors and accruals	46	29
Employment on-costs ^	14	13
Total current payables	60	42
<u>Non-current</u>		
Employment on-costs	5	13
Total non-current payables	5	13
Total payables	65	55

^ Employment on-costs include payroll tax, WorkCover levies and superannuation contributions. The Trust makes contributions to several State Government and externally managed 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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave is 41% in 2018 (2017: 40%) and the average factor for the calculation of employer superannuation on-cost has changed to 9.9% in 2018 (2017: 10.1%). These rates are used in the staff on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

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18 Employee Benefits Liability

	2018 \$'000	2017 \$'000
<u>Current</u>		
Annual leave	42	62
Long service leave	57	25
Skills and experience retention leave	-	1
Accrued salaries and wages	13	14
Total current employee benefits	112	102
<u>Non-current</u>		
Long service leave	58	139
Total non-current employee benefits	58	139
Total employee benefits	170	241

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.

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 reporting date.

The annual leave liability and the skills and experience retention leave liability 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 staff 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.

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 over expected future salary and wage levels, experience of staff 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 is unchanged from 2017 at 2.5%.

The actuarial assessment performed by DTF left the salary inflation rate at 4.0% for long service leave liability and 3.0% for annual leave and skills, experience and retention leave liability. As a result there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

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19 Provisions

	2018 \$'000	2017 \$'000
<u>Current</u>		
Provision for workers' compensation	1	1
Total current provisions	1	1
<u>Non-current</u>		
Provision for workers' compensation	2	1
Total non-current provisions	2	1
Total provisions	3	2
Provision movement		
Carrying amount at the beginning of the period	2	3
Increase / (decrease) in provision recognised	1	(1)
Carrying amount at the end of the period	3	2

A liability 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 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is estimated cost of ongoing payments to staff as required under current legislation. The Trust is responsible for the payment of workers' compensation claims.

20 Unrecognised contractual commitments

Operating commitments are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2018 \$'000	2017 \$'000
Within one year	7	7
Later than one year but not longer than five years	6	1
Total operating lease commitments	13	8
Representing:		
Non-cancellable operating leases	13	8
Total operating lease commitments	13	8

The operating lease commitments comprise non-cancellable motor vehicle leases, with rental payable monthly in arrears. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their terms.

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21 Related party transactions

Related parties of the Trust 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.

The Trust received annual recurrent operating grant of \$1.168 million (2017: \$.998 million) from Arts South Australia, a division of Department of State Development. The operating grant is the primary source of revenue for the Trust and is disclosed in note 9.

In addition, the Trust receives business services including from DSD and conservation services from Artlab Australia, a division of DSD. These services received free of charge are disclosed under notes 5 and 8.

Transactions with key management personnel and other related parties

There were no significant transactions between key management personnel and other related parties.

22 Financial risk management / financial instruments

Financial risk management

Risk management is managed by the Trust and its risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

The Trust is funded principally from appropriation by the SA Government. The Trust works with Department of Treasury and Finance to determine the cash flows associated with its government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, 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.

The carrying amounts of each of the following categories of financial assets and liabilities: loans and receivables and financial liabilities measured at cost, are detailed below.

2018

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	Cash	10	684	684
Loans and receivables	Receivables ⁽¹⁾	11	56	56
Total financial assets			740	740
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	17	28	28
Total financial liabilities			28	28

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2017

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	Cash	10	678	678
Loans and receivables	Receivables ⁽¹⁾	11	15	15
Total financial assets			693	693
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	17	11	11
Total financial liabilities			11	11

⁽¹⁾ 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. 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 (not material different from amortised cost).

23 Events after the reporting date

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the members of the Trust, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust in subsequent financial years.