

Riverbank Authority

Financial report
for the year ended
30 June 2018



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To the Acting Chief Executive Urban Renewal Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(4) of the *Urban Renewal Act 1995*, I have audited the financial report of Riverbank Authority 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 Riverbank Authority 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 Acting Chief Executive Renewal SA and the Director Finance Renewal SA.

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 Riverbank Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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.

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

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

Andrew Richardson

Auditor-General

26 September 2018

Riverbank Authority

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2018

	Note	2018	2017
	No.	\$'000	\$'000
Expenses			
Operating expenditure	4	2 215	2 817
Total Expenses		2 215	2 817
Income			
Revenues from SA Government	5	813	5 641
Other revenues	6	75	301
Total Income		888	5 942
Comprehensive Result		(1 327)	3 125

The comprehensive result is attributable to the SA Government as owner.

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

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Current Assets			
Cash and cash equivalents	7	2 075	3 407
Total Current Assets		2 075	3 407
Non-Current Assets			
Total Non-Current Assets		-	-
Total Assets		2 075	3 407
Current Liabilities			
Payables	8	277	282
Total Current Liabilities		277	282
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
Total Liabilities		277	282
Net Assets		1 798	3 125
Equity			
Retained earnings	9	1 798	3 125
Total Equity		1 798	3 125
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	10		
Contingent assets and liabilities	11		

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

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STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

	Note No.	Contributed Capital '\$000	Retained Earnings '\$000	Total '\$000
Total comprehensive result for 2016-17		-	3 125	3 125
Balance as at 30 June 2017	9	-	3 125	3 125
Total comprehensive result for 2017-18		-	(1 327)	(1 327)
Balance as at 30 June 2018	9	-	1 798	1 798

All changes in equity are attributable to the SA government as owner

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

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STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Cash flows from Operating Activities			
Cash Inflows			
Receipts from SA Government		813	5 641
Recoveries and sundry receipts		75	301
Cash Generated from Operations		888	5 942
Cash Outflows			
Payments to suppliers		(2 220)	(3 950)
Cash Used in Operations		(2 220)	(3 950)
Net Cash (Used in)/ Provided by Operating Activities		(1 332)	1 992
Net (Decrease)/ Increase in Cash Held		(1 332)	1 992
Cash at the beginning of the financial year		3 407	1 415
Cash at the End of the Financial Year	7	2 075	3 407

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

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RIVERBANK AUTHORITY

Note 1 Objectives of Riverbank Authority

The Riverbank Authority is established as a statutory corporation under the Urban Renewal Act 1995 by the Housing and Urban Development (Administrative Arrangements) (Riverbank Authority) Regulations 2014.

The Riverbank Authority's Board of Management is appointed by the Governor under section 10 (1) of the Housing and Urban Development (Administrative Arrangements) Act 1995.

The Riverbank Authority does not employ any staff to conduct administrative or operational activities. Instead, the Authority obtains administrative and project delivery support from the Urban Renewal Authority (trading as Renewal SA). A Service Level Administrative Arrangement between the two bodies reflects the services to be provided to the Riverbank Authority by Renewal SA.

A quorum of the Board was appointed on 18 September 2014, which is the effective date of the commencement of the entity.

Riverbank Authority oversees the coordination of events, development and promotion of the Adelaide Riverbank. Riverbank Authority works in partnership with the Department of Planning, Transport and Infrastructure, the Adelaide City Council, Riverbank partners and other State Government agencies to develop the Adelaide Riverbank.

In July 2018 it was gazetted that the Riverbank Authority, established by the *Housing and Urban Development (Administrative Arrangements) (Riverbank Authority) Regulations 2014*, was dissolved. The assets, rights, liabilities and commitments of the Riverbank Authority are to be transferred to the Urban Renewal Authority.

Note 2 Summary of Significant Accounting Policies

2.1 Statement of Compliance

The 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 provisions of the *Public Finance and Audit Act 1987*.

The Board of Management has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Riverbank Authority is a not-for-profit entity.

2.2 Basis of Preparation

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018 and the comparative information presented.

2.3 Comparative Information

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

2.4 Rounding

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

2.5 Taxation and Duties

Riverbank Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, stamp duty and local government rate equivalents.

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

- when the GST incurred on the 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

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The Riverbank Authority is grouped for GST with Department of Human Services, South Australian Housing Trust and the Urban Renewal Authority (trading as Renewal SA). The net amount of GST recoverable from, or payable to, the Australian Taxation Office through the GST group representative is included as part of receivables or payables in the Statement of Financial Position.

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 are recoverable from, or payable to, the Australian Taxation Office via the GST group representative are classified as part of operating cash flows.

2.6 Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Riverbank Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.7 Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Riverbank Authority will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.8 Current and Non-Current Classification

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within twelve months after the reporting date, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

2.9 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Riverbank Authority recognises financial assets or financial liabilities at cost.

2.11 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Riverbank Authority has not guaranteed or indemnified any other party.

2.12 Insurance

Riverbank Authority has arranged through the SA Government Captive Insurance Corporation (SAICORP) to insure all major risks of the Riverbank Authority. The excess payable under this arrangement varies depending on each class of insurance held.

Note 3 New and Revised Accounting Standards and Policies

The Riverbank Authority did not voluntarily change any of its accounting policies during 2017-18.

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Note 4 Operating Expenditure

	2018	2017
	\$'000	\$'000
Fees for service	576	557
Board fees	177	177
Contractors and consultants	418	789
Administration and other expenditure	1 044	1 294
Total Operating Expenditure	2 215	2 817

Under a Service Level Administrative Arrangement, Riverbank Authority pays Renewal SA a service fee which includes a component for board fees. These items are recognised as an expense in the reporting period in which they are incurred.

The number and dollar amount of consultancies paid/payable (included in operating expenditure) that fell within the following bands:

	No:	2018 \$'000	No:	2017 \$'000
Below \$10 000	3	17	3	5
Above \$10 000	3	186	7	359
Total Paid/ Payable to the Consultants Engaged	6	203	10	364

Note 5 Revenues from SA Government

	2018	2017
	\$'000	\$'000
<i>Revenues from SA Government is summarised as follows:</i>		
Community services obligations	753	734
Other SA Government revenues	60	4 907
Gross Revenues from SA Government	813	5 641

Community Service Obligation Revenue

The SA Government provides the Riverbank Authority with funding for administrative activities and board fees. This funding is recognised as revenue when the Riverbank Authority obtains control of the funding. Control of the funding is normally obtained upon receipt;

Other revenues from SA Government

Other revenues from SA Government can include items such as grants, donations, taxes, rates and other asset transfers other than equity contributions by the SA Government as owner.

During 2017-18 the Riverbank Authority received \$0.06 million (2017 \$4.9 million) of funding for projects in the Riverbank precinct. These revenues are recognised as income upon receipt and the associated expenditure has been incurred and expensed in the 2018 financial year.

Note 6 Other Revenues

	2018	2017
	\$'000	\$'000
Project contribution	60	-
Sale of surplus equipment	15	-
Winter Festival ticket sales	-	301
Total Other Revenues	75	301

Other revenue is recognised upon delivery of the service and is brought to account when earned.

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Note 7 Cash and Cash Equivalents

	2018	2017
Current	\$'000	\$'000
Deposits with the Treasurer	2 075	3 407
Total Cash and Cash Equivalents	2 075	3 407

Cash assets in the Statement of Financial Position include cash at bank. Cash is measured at nominal value.

Note 8 Payables

	2018	2017
Current	\$'000	\$'000
Sundry creditors and accrued expenses	277	282
Total Payables	277	282

Payables are measured at their nominal amounts. Creditors and accrued expenses have been recognised for all amounts owing but unpaid at the reporting date. Payables are normally settled within 30 days from the date the invoice is first received.

Note 9 Equity

	2018	2017
	\$'000	\$'000
Accumulated surplus	1 798	3 125
Total Equity	1 798	3 125

Note 10 Unrecognised Contractual Commitments

At reporting date the Riverbank Authority had operating expenditure commitments contracted for but not recognised as liabilities in the financial report, as follows:

Expenditure Commitments	2018	2017
	\$'000	\$'000
Within one year	60	127
Later than one year but not longer than five years	88	111
Total Other Commitments	148	238

Commitments include operating, capital and outsourcing commitments arising from contractual or statutory sources and 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 Australian Taxation Office. If GST is not recoverable from, or payable to the Australian Taxation Office, the contingencies and commitments are disclosed on a gross basis.

Note 11 Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 30 June 2018.

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.

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Note 12 Key Management Personnel

Key management personnel of the Riverbank Authority include the Minister for Housing and Urban Development, members of the Riverbank Authority Board, the Chief Executive of Renewal SA (who is a member of the Board), the General Manager Corporate Services (Renewal SA), and the General Manager People and Place Management (Renewal SA), that have responsibility for the strategic direction and management of Riverbank Authority.

The members of the Riverbank Authority Board of Management were the only key management personnel remunerated for their duties with the Riverbank Authority.

The following persons held the position of board member during the financial year:

Mr Andrew McEvoy (Chairman)
Mr Malcolm Snow
Ms Karyn Kent
Mr John Hanlon
Mrs Lainie Anderson

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

Remuneration of Governing Board Members	2018	2017
	No	No
Nil* - \$9 999	1	1
\$30 000 - \$39 999	3	3
\$70 000 - \$79 999	1	1
Total Number of Governing Board Members	5	5

* In accordance with Department of Premier and Cabinet Circular 16, South Australian Government employees did not receive any remuneration for board duties during the financial year.

Total remuneration received and receivable by all governing board members for the period they held office was \$176,895 (2017: \$176,895) which includes superannuation contributions.

Note 13 Related Party Disclosure

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

Transactions with Related Parties

Under a Service Level Administrative Arrangement, Riverbank Authority paid Renewal SA a service fee in 2017-18 which includes a component for board fees of \$0.753 million. (2017: \$0.734 million)

Transactions with Key Management Personnel

There were no reportable transaction between Riverbank Authority and any key management personnel during the financial year.

Remuneration of key management personnel is described in note 12.

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Note 14 Financial Risk Management/Financial Instruments

14.1 Financial Risk Management

Risk management is managed by Renewal SA on behalf of the Riverbank Authority and is 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*.

Riverbank Authority's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and current assessment of risk.

The Riverbank Authority receives funding from the SA Government. The Riverbank Authority works with the Minister for Housing and Urban Development and the 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.

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

14.2 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 and financial liability are disclosed in Note 2.

The carrying amounts of each of the following categories of financial assets and liabilities: loan and receivables; financial liabilities measured at cost; and held-to-maturity investments are detailed below.

	Notes	2018 Carrying amount/ Fair value (\$'000)	2017 Carrying amount/ Fair value (\$'000)
Financial Assets			
Cash and equivalent			
Cash and cash equivalent	7	2 075	3 407
Total Financial Assets		2 075	3 407
Financial Liabilities			
Financial liabilities at cost			
Payables	8	277	282
Total Financial Liabilities		277	282

Note 15 Events after the Reporting Period

Events between 30 June 2018 and the date the financial statements are authorised that may have a material impact on the results of subsequent years are set out below.

On 19 July 2018 it was gazetted that the Riverbank Authority, established by the *Housing and Urban Development (Administrative Arrangements) (Riverbank Authority) Regulations 2014*, was dissolved. The assets, rights, liabilities and commitments of the Riverbank Authority are to be transferred to the Urban Renewal Authority.

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CERTIFICATION OF THE FINANCIAL STATEMENTS

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

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Riverbank Authority;
- present a true and fair view of the financial position of the Riverbank Authority as at 30 June 2018 and the results of its operation and cash flows for the financial year; and
- that the internal controls employed by the Riverbank Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



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Damian De Luca
**A/Chief Executive
Renewal SA**

Date 26/9/18.....



.....
Braden Naylor
**Director Finance
Renewal SA**

Date 26-9-18.....