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## To the Chairperson, Board of Trustees South Australian Country Arts Trust

### Opinion

I have audited the financial report of the South Australian Country Arts Trust and its controlled entity for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Country Arts Trust and its controlled entity as at 30 June 2023, their financial performance and their 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairperson, Board of Trustees, the Chief Executive and the Chief Financial Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Country Arts Trust and its controlled entity. 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 and the Board of Trustees 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, 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 is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive 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 Board of Trustees is 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 15(3) of the *South Australian Country Arts Trust Act 1992*, I have audited the financial report of the South Australian Country Arts Trust and its controlled entity for the financial year ended 30 June 2023.

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 South Australian Country Arts 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
- conclude on the appropriateness of the Chief Executive'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 and Board of Trustees 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.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

29 September 2023

# **South Australian Country Arts Trust**

## **Annual Financial Statements**

**For The Year Ended 30 June 2023**

**COUNTRY ARTS SA**

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2 McLaren Parade, Port Adelaide, SA 5015

[www.countryarts.org.au](http://www.countryarts.org.au)

Contact phone number: (08) 8444 0400

**NOTE INDEX**

**Objectives and policies notes**

- 1 Objectives of the South Australian Country Arts Trust
- 2 Significant accounting policies

**Expense notes**

- 3 Employee benefits expenses
- 4 Remuneration of board and committee members
- 5 Supplies and services
- 6 Grants and subsidies expense
- 7 Depreciation and amortisation expense

**Income notes**

- 8 Revenues from fees and charges
- 9 Commonwealth-sourced grants and funding
- 10 Grants and subsidies revenue
- 11 Other income
- 12 SA Government grants, subsidies and transfers

**Asset notes**

- 13 Cash and cash equivalents
- 14 Receivables
- 15 Property, plant and equipment

**Liability notes**

- 16 Payables
- 17 Employee benefits
- 18 Provisions
- 19 Other liabilities

**Equity notes**

- 20 Equity

**Other notes**

- 21 Unrecognised contractual commitments
- 22 Contingent assets and liabilities
- 23 Financial instruments
- 24 COVID-19 pandemic impact for the Trust
- 25 Events after balance date
- 26 Regional Arts Fund
- 27 Country Arts Foundation

South Australian Country Arts Trust

Certification of the Financial Statements

We certify that the attached General Purpose Financial Statements for the South Australian Country Arts 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 Trust; and
- comply with relevant accounting standards; and
- present a true and fair view of the financial position of the South Australian Country Arts Trust as at 30 June 2023 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the South Australian Country Arts 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.



Anthony Peluso  
Chief Executive

Date: 27 September 2023



Anthony Jones  
Chief Financial Officer

Date: 27 September 2023



Michael Lennon  
Chairperson, Board of Trustees

Date: 27 September 2023

South Australian Country Arts Trust

**Statement of Comprehensive Income  
For The Year Ended 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
SA Government grants, subsidies and transfers	12	4 871	4 641
Revenues from fees and charges	8	2 489	2 069
Commonwealth-sourced grants and funding	9	451	200
Grants and subsidies revenue	10	889	568
Interest revenues		211	-
Net gain (loss) from disposal of non-current assets		7	7
Other income	11	647	735
<b>Total income</b>		<b>9 565</b>	<b>8 220</b>
<b>Expenses</b>			
Employee benefits expenses	3	5 136	5 088
Program expenses	5	1 620	1 340
Infrastructure expenses	5	1 311	1 391
Administration expenses	5	1 227	946
Grants and subsidies expense	6	130	128
Depreciation expense	7	2 125	2 149
Other expenses		-	12
<b>Total Expenses</b>		<b>11 549</b>	<b>11 054</b>
<b>Net result</b>		<b>(1 984)</b>	<b>(2 834)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>(1 984)</b>	<b>(2 834)</b>

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

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

South Australian Country Arts Trust

**Statement of Financial Position**  
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	13	5 909	7 083
Receivables	14	258	355
Inventories		43	36
<b>Total current assets</b>		<b>6 210</b>	<b>7 474</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	32 353	34 095
Works of art	15	343	342
<b>Total non-current assets</b>		<b>32 696</b>	<b>34 437</b>
<b>Total assets</b>		<b>38 906</b>	<b>41 911</b>
<b>Current liabilities</b>			
Payables	16	1 054	1 358
Employee benefits	17	735	1 018
Provisions	18	27	27
Other liabilities	19	1 195	1 617
<b>Total current liabilities</b>		<b>3 011</b>	<b>4 020</b>
<b>Non-current liabilities</b>			
Payables	16	42	41
Employee benefits	17	423	448
Provisions	18	97	85
<b>Total non-current liabilities</b>		<b>562</b>	<b>574</b>
<b>Total liabilities</b>		<b>3 573</b>	<b>4 594</b>
<b>Net assets</b>		<b>35 333</b>	<b>37 317</b>
<b>Equity</b>			
Asset revaluation surplus	20	44 426	44 426
Retained earnings	20	(9 093)	(7 109)
<b>Total equity</b>		<b>35 333</b>	<b>37 317</b>

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

South Australian Country Arts Trust

**Statement of Cash Flows**  
**For The Year Ended 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
SA Government grants, subsidies and transfers		4 871	4 655
Fees and charges		2 522	2 497
Receipts from Commonwealth-sourced funds		451	117
Receipts from grants and subsidies		889	1 150
Interest received		190	-
GST recovered from the Australian Taxation Office		-	1
Other receipts		711	772
<b>Cash generated from operations</b>		<b>9 633</b>	<b>9 192</b>
<b>Cash outflows</b>			
Employee benefit payments		(5 425)	(5 006)
Payments for supplies and services		(4 880)	(3 605)
Payments for grants and subsidies		( 130)	( 473)
<b>Cash used in operations</b>		<b>(10 435)</b>	<b>(9 084)</b>
<b>Net cash provided by operating activities</b>		<b>( 801)</b>	<b>108</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		20	30
<b>Cash generated from investing activities</b>		<b>20</b>	<b>30</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		( 392)	( 511)
<b>Cash used in investing activities</b>		<b>( 392)</b>	<b>( 511)</b>
<b>Net cash used in investing activities</b>		<b>( 372)</b>	<b>( 481)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(1 174)</b>	<b>( 373)</b>
Cash and cash equivalents at the beginning of the financial year		7 083	7 456
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b>5 909</b>	<b>7 083</b>

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

**South Australian Country Arts Trust**

**Statement of Changes in Equity  
For The Year Ended 30 June 2023**

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
<b>Balance as at 30 June 2022</b>		44 426	(7 109)	37 317
Net result for 2022-23		-	(1 984)	(1 984)
<b>Total comprehensive result for 2022-23</b>	<b>20</b>	44 426	(9 093)	35 333

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

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

## South Australian Country Arts Trust

### Note 1. Objectives of the South Australian Country Arts Trust

The South Australian Country Arts Trust (the Trust) has wide ranging responsibilities for the development of the arts in country South Australia and is the principal provider of arts programs to country South Australians.

The Trust delivers arts programs through:

- managing and operating Arts Centres in Whyalla, Port Pirie, Renmark, Mount Gambier and Noarlunga;
- developing performing arts touring programs for the theatres and for touring to other regional centres;
- developing and managing visual arts touring programs;
- developing and delivering artist professional development programs;
- managing a number of arts development and community artist funding programs;
- the provision of policy advice to the Minister for Arts;
- advocating for the continuing development of the arts in country South Australia; and
- the provision of an arts information and advisory service to country South Australians.

### Note 2. Significant accounting policies

#### 2.1 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
- Australian Accounting Standards (Reduced Disclosure Requirements) that are applicable to not-for-profit entities, as 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 measurement.

Assets and liabilities have been characterised as either current or non-current in nature. 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.

Inventories include goods held for sale in the ordinary course of business. Inventories are maintained for theatre catering purposes and are measured at the lower of cost or their net realisable value.

#### 2.2 Reporting entity

Established in 1993, the Trust is a South Australian Government statutory authority, which trades as Country Arts SA. The Trust was established pursuant to the *South Australian Country Arts Trust Act 1992*.

The financial statements and accompanying notes include all the controlled activities of the Trust.

The consolidated financial statements have been prepared by combining the South Australian Country Arts Trust (the Trust) and the Country Arts Foundation (Foundation) in accordance with AASB 10 *Consolidated Financial Statements*.

#### 2.3 Principles of Consolidation

Controlled entities are those entities for which the Trust has control. The Trust has control over an entity when it is exposed, or has rights, to variable returns from its involvement with that entity and can affect those returns through its power over the entity. This is the case with Foundation, which is a controlled entity of the Trust. Refer to note 27.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced, or up to the date control ceased.

## South Australian Country Arts Trust

### **2.4 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.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

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

### **2.5 Rounding**

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

### **2.6 Taxation**

The Trust is not subject to income tax. The Trust is liable for payroll tax, fringe benefits tax, goods and services tax, emergency services levy, and local government rates.

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

- the amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense and;
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO 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 is recoverable from, or payable to, the ATO, is classified as part of operating cash flows.

### **2.7 Events after the reporting period**

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

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the event relates to a condition which arose after 30 June and which may have a material impact on the results of subsequent years - refer note 25.

**South Australian Country Arts Trust**

**Note 3. Employee benefits expenses**

Employee Benefits Expenses	2023	2022
	\$'000	\$'000
Salaries and wages	3 952	3 892
Long service leave	58	( 51)
Annual leave	274	358
Skills and experience retention leave	13	10
Employment on-costs - superannuation*	560	505
Employment on-costs - other	218	212
Board and committees fees	16	23
Workers Compensation	12	87
Other employment related expenses	33	52
<b>Total employee benefits expenses</b>	<b>5 136</b>	<b>5 088</b>

Employee benefits expenses includes all costs related to employment including salaries and wages, non-monetary benefits and leave entitlements. These are recognised when incurred.

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

**Key Management Personnel**

Key management personnel of the Trust include the Minister for the Arts, Board of Trustees and the Chief Executive who are responsible for the strategic direction and management of the Trust.

Total compensation for the Trust's key management personnel in 2022-23 was \$256,000 (2021-22 \$253,000). Salaries and other benefits the Minister for the Arts receives are excluded from this total. The Minister for the Arts remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

**Transactions with Key Management Personnel and other related parties**

There were no material related party transactions between the Trust and key management personnel and their close family members.

**Executive remuneration**

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

	2023	2022
	No	No
\$234,001 to \$254,000	1	1
<b>Total number of employees</b>	<b>1</b>	<b>1</b>

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 \$249,000 (2021-22 \$238,000).

**Note 4. Remuneration of board and committee members**

The Trust has a governing Board and specialist committees and panels where members received or were entitled to receive remuneration for their membership. Members that were entitled to receive remuneration for membership during 2022-23 were:

**Board of Trustees**

Christabel (Christie) Anthony <sup>(1)</sup>	Ian McKay (appointed February 2023)
Susan (Suzie) Betts (appointed June 2023)	Shouwn Oosting (appointed June 2023)
Andrew Birtwistle-Smith (resigned December 2022)	Stephanie Toole
Michael Luchich, Chair (until February 2023)	Erika Vickery, OAM (until November 2022)
Victoria MacKirdy	Ella Winnall
Michael Lennon, Chair (appointed October 2022, Chair from March 2023)	

**South Australian Country Arts Trust**

**4 Remuneration of board and committee members (cont.)**

**Committee Members**

**Grants Assessment Panel**

Andrew Birtwistle-Smith (until December 2022)	Jasmine Swales-Smith (appointed December 2022)
Antonina Vorenas (until August 2022)	Jennifer Silver (until September 2022)
Christabel (Christie) Anthony <sup>(1)</sup> , Chair	Lewis Major
Danielle Deshong (nee Edwards)	Lucia Pichler
Debra Tregilas (until August 2022)	Maz McGann (until August 2022)
Eliza Wuttke (until May 2023)	Michael Colburg (appointed December 2022)
Ella Winnall	Nic Tubb
Fulvia Mantelli	Sonya Altschwager (until December 2022)

**Governance and Finance Committee**

Michael Lennon	Stephanie Toole
Michael Luchich (until December 2022)	Erika Vickery, OAM (until November 2022)
Victoria MackKirby, Chair	

**First Nations Advisory Committee**

Andrew Birtwistle-Smith, Chair (until December 2022)	Isaac Lindsay
Lee-Ann Buckskin, Chair (until May 2023)	Shouwn Oosting, Chair (appointed June 2023)
Danielle Deshong (nee Edwards)	Susan (Suzie) Betts (appointed June 2023)
Michael Harris	Heather Shearer
Michael Lennon	

**Board of Trustees**

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

	2023	2022
	No	No
\$0 - \$19 999	11	9
<b>Total numbers of members</b>	<b>11</b>	<b>9</b>

Remuneration of Board of Trustee members reflects all costs of performing board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$6,900 (2021-22 \$10,000).

**Committee Members**

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

	2023	2022
	No	No
\$0 - \$19 999	27	24
<b>Total numbers of members</b>	<b>27</b>	<b>24</b>

Remuneration of committee members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$11,400 (2021-22 \$15,000).

Any travel allowance paid to Board or Committee members has not been included as remuneration as it is considered to be a reimbursement of direct out of pocket expenses incurred by the relevant members.

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

<sup>(1)</sup> In accordance with the Department of the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board or committee duties during the financial year.

**Note 5. Supplies and services**

	2023	2022
	\$'000	\$'000
<b>Program expenses</b>		
Live touring expenses	728	713
Marketing	192	159
Cost of goods sold	195	144
Film distributor payments	233	215
Production show expenses	126	46
Other	146	64
<b>Total program expenses</b>	<b>1 620</b>	<b>1 340</b>

**South Australian Country Arts Trust**

**5 Supplies and services (cont.)**

<b>Infrastructure expenses</b>		
Repairs and maintenance	496	384
Information technology and communication	388	455
Utilities	269	249
Consultants	25	105
Insurance	113	177
Other	19	21
<b>Total infrastructure expenses</b>	<b>1 311</b>	<b>1 391</b>

**Administration expenses**

Travel	179	108
Printing and stationery	49	34
Motor vehicle expenses	26	30
Freight	139	28
Board meeting travel and expenses	-	1
Staff development	56	34
Contractors and temporary staff	673	593
Audit fees	45	53
Other	61	65
<b>Total administration expenses</b>	<b>1 227</b>	<b>946</b>

**Note 6. Grants and subsidies expense**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
*Grants	130	128
<b>Total grants and subsidies expense</b>	<b>130</b>	<b>128</b>

Grants and subsidies paid by the Trust are for arts related assistance and project purposes and are predominantly recurrent in nature. Entities receiving these grants and subsidies include Non-Government Organisations and the general public. The grants and subsidies given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. For contributions payable, the contribution will be recognised as a liability and expense when the Trust has a present obligation to pay the contribution.

\* Grants and subsidies expenses includes payments to various other artists.

**Note 7. Depreciation and amortisation expense**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings and improvements	1 901	1 905
Plant and equipment	224	244
<b>Total depreciation expense</b>	<b>2 125</b>	<b>2 149</b>

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

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis.

Land and non-current assets held for sale are not depreciated.

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

<b>Class of Asset</b>	<b>Useful Life (Years)</b>
Buildings and improvements	7 to 70
Plant and Equipment	3 to 15

Works of Art controlled by the Trust are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period.

**South Australian Country Arts Trust**

**Note 8. Revenues from fees and charges**

	2023	2022
	\$'000	\$'000
Box office - programmed performances	96	72
Box office - films	479	450
Ticket booking fees	352	245
Venue hire	551	417
Candy bar sales	424	353
Recovery of theatre costs	269	181
Sponsorship	19	170
National touring	131	137
Artwork sales	-	1
Other	169	43
<b>Total fees and charges</b>	<b>2 489</b>	<b>2 069</b>

Revenue from fees and charges is derived from goods and services provided to other SA Government agencies and to the public.

Per AASB 15 *Revenue from Contracts with Customers* the revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

**Note 9. Commonwealth-sourced grants and funding**

	2023	2022
	\$'000	\$'000
Specific purpose grant	451	200
<b>Total Commonwealth-sourced grants and funding</b>	<b>451</b>	<b>200</b>

Commonwealth grants consist of the following:

	2023	2022
	\$'000	\$'000
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	185	164
Australia Council for the Arts - Euphoria National Tour	199	2
Australia Council for the Arts - Nancy Bates	4	-
Department of Infrastructure, Transport, Regional Development, Communications and the Arts - Wild Dog	62	-
Department of Infrastructure, Transport, Regional Development, Communications and the Arts - Catapult	1	-
RAA SP funding	-	15
Australia Council for the Arts - Regional Theatre Strategy	-	19
<b>Total Commonwealth-sourced grants and funding</b>	<b>451</b>	<b>200</b>

Commonwealth-sourced grants and funding are recognised under a combination of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income from Not-for-Profit Entities* on completion of agreed deliverables and in compliance with all obligations under the agreement.

**Note 10. Grants and subsidies revenue**

	2023	2022
	\$'000	\$'000
<b>Grants and subsidies received/receivable from entities within SA Government</b>		
Specific purpose grant	315	119
<b>Total grants and subsidies revenue - SA Government entities</b>	<b>315</b>	<b>119</b>
<b>Grants and subsidies received/receivable from entities external to the SA Government</b>		
Specific purpose grant	574	449
<b>Total grants and subsidies revenue - Non SA Government entities</b>	<b>574</b>	<b>449</b>
<b>Total grants and subsidies revenue</b>	<b>889</b>	<b>568</b>

These grants are received by the Trust for specific purposes from SA Government and non SA Government entities.

As per AASB 15 *Revenue from Contracts with Customers* revenue is recognised as and when the performance obligations of the grant are met.

South Australian Country Arts Trust

**Note 11. Other income**

	2023	2022
	\$'000	\$'000
Salary recoveries	620	439
Foundation Income	19	101
Insurance claim recovery	1	61
Other	7	134
<b>Total other income</b>	<b>647</b>	<b>735</b>

Other income is recognised on receipt under *AASB 1058 Income of Not-for-Profit Entities*.

**Note 12. SA Government grants, subsidies and transfers**

	2023	2022
	\$'000	\$'000
<b>SA Government grants, subsidies and transfers</b>		
Arts South Australia grants	4 871	4 641
<b>Total SA Government grants, subsidies and transfers</b>	<b>4 871</b>	<b>4 641</b>

The Trust receives an annual recurrent operating grant from Arts South Australia, a division of the Department of the Premier and Cabinet to undertake agreed programs. The operating grant falls under *AASB 1058 Income of Not-for-Profit Entities* and are recognised as income on receipt, as there are no specific performance obligations attached.

**Note 13. Cash and cash equivalents**

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	5 777	6 893
Imprest account/cash on hand	14	15
Foundation cash at bank – refer note 27	118	175
<b>Total cash and cash equivalents</b>	<b>5 909</b>	<b>7 083</b>

Cash and cash equivalents include cash at bank, and cash on hand. Cash is measured at nominal value.

**Note 14. Receivables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Trade receivables	176	290
Prepayments	61	65
Accrued income	21	-
<b>Total receivables</b>	<b>258</b>	<b>355</b>

Receivables comprise amounts receivable from goods and services, Insurance recoverables, GST input tax credits recoverable and prepayments.

**Impairment of Receivables**

An allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. As at 30 June 2023 the Trust had no allowance for doubtful debts.

**South Australian Country Arts Trust**

**Note 15. Property, plant and equipment**

**Valuations of land and buildings**

Valuations of Trust land, buildings and improvements were determined as at 30 June 2019 by a Certified Practising Valuer from Valcorp Australia Pty Ltd.

**Valuations of Works of Art**

The valuation of the Works of Art controlled by the Trust was performed by Simon Storey from Simon Storey Valuers as at 30 June 2021. Simon Storey is an approved valuer under the Cultural Gifts Program in the valuation of the Works of Art held in the Collection.

All other non-current assets controlled by the Trust have been deemed to be held at fair value.

**Impairment**

There were no indications of impairment of property, plant and equipment at 30 June 2023.

	2023	2022
	\$'000	\$'000
<b>Land, buildings and improvements</b>		
Land at fair value	3 690	3 690
Buildings & improvements at fair value	34 502	34 016
Accumulated depreciation	(7 551)	(5 650)
<b>Total land, buildings and improvements</b>	<b>30 641</b>	<b>32 056</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	3 260	3 034
Accumulated depreciation and impairment losses	(1 641)	(1 429)
<b>Total plant and equipment</b>	<b>1 619</b>	<b>1 605</b>
<b>Work in progress</b>		
Capital work in progress at cost	93	434
<b>Total Work in progress</b>	<b>93</b>	<b>434</b>
<b>Total property, plant and equipment</b>	<b>32 353</b>	<b>34 095</b>
<b>Works of art</b>		
Works of art at fair value	343	342
<b>Total works of art</b>	<b>343</b>	<b>342</b>

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT**

The following table shows the movement of property, plant and equipment during 2022-23

	Land, buildings and improvements	Works in progress (WIP)	Plant and equipment	Works of art	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 30 June 2022	32 056	434	1 605	342	34 437
Acquisitions	52	93	251	1	397
Transfers to (from) WIP	434	( 434)			-
Disposals			( 13)		( 13)
Depreciation/ amortisation expense	(1 901)		( 224)		(2 125)
Carrying amount as at 30 June 2023	<b>30 641</b>	<b>93</b>	<b>1 619</b>	<b>343</b>	<b>32 696</b>

15 Property, plant and equipment (cont.)

**Non-current asset 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 their fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$1,000 for works of art and \$5,000 for all other tangible assets are capitalised.

**Revaluation of non-current assets**

All non-current physical assets are valued at written down current cost (a proxy for fair value). Revaluation of non-current assets or groups of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than 3 years.

Every six years, the Trust revalues its land and buildings and works of art via an independent Certified Practising Valuer. However, if at any time management considers that the carrying amount of the asset materially differs from the fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current physical assets that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to fair value.

Any revaluation increment is credited to the asset revaluation surplus except to the extent that it reverses a revaluation decrement of the same asset class previously recognised as an expense, in which case the increment is recognised as income. Any revaluation decrement is recognised as an expense, except to the extent that it reverses a revaluation increment for the same asset class, in which case the decrement is debited directly to the asset revaluation surplus to the extent of the credit balance existing in the asset revaluation surplus for that class of asset.

For building and improvement (Theatre) assets that have been subject to an independent revaluation, both the replacement cost and the associated accumulated depreciation have been presented on a net basis. Any accumulated depreciation is eliminated against the gross carrying amount of the assets and the net amounts restated to the revalued amounts of the assets.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

**Valuation of land and buildings**

Valuation of Trust land, buildings and improvements were revalued as at 30 June 2019 by a Certified Practising Valuer from Valcorp Australia Pty Ltd.

*Land*

The fair value was determined using a direct comparison approach with recent market transactions in the area.

*Buildings and improvements- Theatres*

The fair value was estimated based on the written down modern equivalent replacement cost. The estimated modern equivalent replacement cost was determined by the Valuer with reference to Rawlinson's Australian Construction Handbook Edition 36 and Riders Digest (2019) - Australian Edition. Additional costs were included for country location, planning approvals, preliminaries, contingencies and complexity of the theatres, having regard to the extent of non-theatre functions.

*Buildings and improvements- Other*

The fair value was determined using a direct comparison approach with recent market transactions in the area.

**Valuation of works of art**

The valuation of the Works of Art collections controlled by the Trust was performed by Simon Storey from Simon Storey Valuers as at 30 June 2021. Simon Storey is an approved valuer under the Cultural Gifts Program in the valuation of the Works of Art held in the Collections.

The valuer used the fair value approach by careful assessment of the condition, authenticity and where necessary research of individual art work. The final values stated by the valuer were regarded as close as it is possible to market value, in an unpredictable art market, to current commercial or replacement values as at 30 June 2021.

**Impairment of assets**

All non-current tangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of an assets fair value less cost of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, a fair value assessment is performed each year.

There were no indications of impairment of property plant and equipment at 30 June 2023.

**South Australian Country Arts Trust**

<b>Note 16. Payables</b>		
	2023	2022
	\$'000	\$'000
<b>Current</b>		
Creditors and accruals	954	1 198
Employment on-costs	100	160
<b>Total current payables</b>	<b>1 054</b>	<b>1 358</b>
<b>Non-current</b>		
Employment on-costs	42	41
<b>Total non-current payables</b>	<b>42</b>	<b>41</b>
<b>Total payables</b>	<b>1 096</b>	<b>1 399</b>

All current payables are expected to be settled within twelve months after reporting date.

Payables include creditors, accrued expenses and employment on-costs. A significant portion of the creditors balance relates to the grants payable from the Regional Arts Fund which the Trust manages on behalf of the Commonwealth Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts. For additional disclosure of the fund, refer to Note 26.

**Employment on-costs**

An actuarial assessment performed by the Department of Treasury and Finance determined that the percentage of the proportion of long service leave taken as leave has increased to 43% (2022: 42%) and the average factor for the calculation of employer superannuation on-cost has changed from 10.6% in 2022 to 11.1% in 2023. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current year is immaterial.

<b>Note 17. Employee benefits</b>		
	2023	2022
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	76	263
Annual leave	304	392
Skills and experience retention leave	36	32
Long service leave	319	331
<b>Total current employee benefits</b>	<b>735</b>	<b>1 018</b>
<b>Non-current</b>		
Long service leave	423	448
<b>Total non-current employee benefits</b>	<b>423</b>	<b>448</b>
<b>Total employee benefits</b>	<b>1 158</b>	<b>1 466</b>

Employee benefits accrue for employees as a result of services provided up to the reporting date but yet to be paid. Long-term employee benefits are measured at the present value and short-term employee benefits are measured at nominal amounts.

*Salaries and wages, annual leave, SERL and sick leave*

Liabilities for salaries and wages are recognised, and are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL 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 employees is estimated to be less than the annual entitlement of sick leave.

*Employment on-costs*

Employment on-costs (payroll tax and superannuation contributions) are recognised separately under payables in Note 16.

*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 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.

**South Australian Country Arts Trust**

**17 Employee benefits (cont.)**

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 increased to 4.0% from 3.5% in 2022.

The actuarial assessment performed by the Department of Treasury and Finance has changed to 3.5% (2022: 2.5%) for long service leave liability and 2.0% (2022: 1.5%) for annual leave, and SERL liability.

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 \$24,377 (not including oncosts). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographic and financial assumptions – including the long-term discount rate.

The long service liability has been allocated between current and non-current based on historical usage patterns and expected payments in 2023-24.

<b>Note 18. Provisions</b>		
	2023	2022
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	27	27
<b>Total current provisions</b>	<b>27</b>	<b>27</b>
<b>Non-current</b>		
Provision for workers compensation	97	85
<b>Total non-current provisions</b>	<b>97</b>	<b>85</b>
<b>Total provisions</b>	<b>124</b>	<b>112</b>
<b>Provision movement:</b>		
Carrying amount at the beginning of the period	112	25
Additional provisions	12	87
<b>Carrying amount at the end of the period</b>	<b>124</b>	<b>112</b>

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Trust expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

Workers compensation claims

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The Trust is responsible for the payment of workers compensation claims.

<b>Note 19. Other liabilities</b>		
	2023	2022
	\$'000	\$'000
<b>Current</b>		
Unearned revenue	789	973
Contract liabilities	406	644
<b>Total other liabilities</b>	<b>1 195</b>	<b>1 617</b>

Unearned revenue predominantly relates to box office ticket sales taken in advance of the performance. Contract liabilities represent obligations that need to be met in regards to grant contracts, revenue will be recognised under *AASB 15 Revenue from Contractors with Customers* when the performance obligations are fulfilled.

**South Australian Country Arts Trust**

**Note 20. Equity**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Retained earnings	(9 093)	(7 109)
Asset revaluation surplus	44 426	44 426
<b>Total equity</b>	<b>35 333</b>	<b>37 317</b>

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

**Note 21. Unrecognised contractual commitments**

**Capital commitments**

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2023	2022
	\$'000	\$'000
Within one year	790	1 239
<b>Total capital commitments</b>	<b>790</b>	<b>1 239</b>
<b>Other commitments</b>		
Within one year	721	1 043
Later than one year but not longer than five years	118	228
<b>Total other commitments</b>	<b>839</b>	<b>1 271</b>

Commitments include operating, capital and outsourcing arrangements 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 payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

The Trust's capital commitments in 2023 relate to planned capital work upgrades at regional Art Centres, which are expected to be completed within 12 months. The Trust's other commitments mainly relate to grant, service and live tour/national performance agreements, and software licencing agreements.

**Note 22. Contingent assets and liabilities**

**Contingent assets**

The Trust is not aware of any contingent assets or liabilities as at 30 June 2023.

**Note 23. Financial instruments**

**Financial Risk Management**

Risk management is managed by the Trust's Sustainability Leader and 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 insignificant based on past experience and managements' current assessment of risk.

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

The Trust is funded principally from grants by the SA Government.

**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 individual notes above.

**South Australian Country Arts Trust**

**23 Financial instruments (cont.)**

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

		Statement of Financial Position line item	Note	Carrying Amount / Fair Value	
				2023 \$'000	2022 \$'000
<b>Financial assets</b>					
Cash and cash equivalents	Cash and cash equivalents		13	5 909	7 083
Receivables	Receivables <sup>(2)(3)</sup>		14	176	290
<b>Financial liabilities</b>					
Financial liabilities - at cost	Payables <sup>(2)</sup>		16	838	1 097

<sup>(2)</sup> Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, etc. they would be excluded from the disclosure. The accounting standards define contracts as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

<sup>(3)</sup> Receivable amounts disclosed here excludes prepayments. Prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation*, 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.

**Note 24. COVID-19 pandemic impact for the Trust**

The Trust continues to experience impacts to its financial position in recent years as a result of the COVID-19 pandemic. This has affected the comparative amounts reported in the Financial Statements of the Trust.

The COVID-19 pandemic continued to have a range of negative impacts on the organisation throughout 2022-2023; including but not limited to the following:

- Gradual easing of restrictions on audience capacities;
- Audience still experiencing low confidence in attending indoor events;
- Interruptions to programming as a result of pandemic-related illness, artist availability and touring schedule changes;
- Staff absences due to COVID-19 infections or isolation mandates.

**Note 25. Events after balance date**

There are no events after 30 June 2023 that require disclosure.

**Note 26. Regional Arts Fund**

The Trust manages the South Australian component of the Regional Arts Fund on behalf of the Commonwealth Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The Regional Arts Fund is a Commonwealth program that supports artistic cultural development in regional and remote communities throughout Australia. The grant received from the Commonwealth for the Regional Arts Fund includes a component to reimburse Country Arts SA for administration

The Trust received and manages a one off payment to be disbursed over 3 years of the South Australian component of a Recovery Boost. This fund is to help regional artists and organisations develop new work and explore new delivery models in light of the impacts of COVID-19, bushfires and drought.

The Trust received and manages a one off payment to be disbursed over 1 year of the South Australian component of a Cultural Tourism Accelerator Program. This fund will enable arts organisations to promote and develop cultural events for tourists across regional Australia to increase tourism visitation in regional, rural and remote communities.

Funds available during the year and expenditure incurred from the Fund were as follows:

	2023 \$'000	2022 \$'000
Funds from prior year recommitted	155	155
Annual regional arts fund allocation	914	1 678
Administration costs incurred by the Trust	185	91
Interest earned	4	-
<b>Total funds available</b>	<b>1 258</b>	<b>1 924</b>
<b>Expenditure and grant commitments approved during the year</b>	<b>1 210</b>	<b>1 769</b>
<b>Funds carried forward</b>	<b>48</b>	<b>155</b>

South Australian Country Arts Trust

**Note 27. Country Arts Foundation**

The consolidated financial statements at 30 June 2023 include the Foundation:

Country Arts Foundation Ltd

Significant items in the financial report of the Foundation are:

	2023	2022
	\$'000	\$'000
Revenue	19	171
Expenses	76	7
<b>Surplus</b>	<b>(57)</b>	<b>164</b>
<b>Cash at Bank</b>	<b>118</b>	<b>175</b>

All gifts and money received by the Trust from the Foundation are used to undertake special projects on behalf of the Trust. \$75,000 was paid across to the Trust for the Euphoria Film project in July 2022.

Please refer to Note 2.2 and Note 2.3.