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

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 accompanying financial report of the South Australian Country Arts Trust for the financial year ended 30 June 2018.

### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the South Australian Country Arts 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 a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairperson, Board of Trustees, the Chief Executive Officer and the Corporate Resources Manager.

### **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. 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 Board of Trustees for the financial report**

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

## **Auditor's responsibilities for the audit of the financial report**

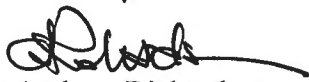
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 Board of Trustees
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive Officer and 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.

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

Andrew Richardson

**Auditor-General**

18 October 2018

**South Australian Country Arts Trust**  
**Annual Financial Statements**

**For The Year Ended 30 June 2018**

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

present a true and fair view of the financial position of the South Australian Country Arts 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 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.



Steve Saffell  
Chief Executive Officer



Frederick Piotto CPA  
Corporate Resources Manager

16 October 2018

16 October 2018



Michael Luchich  
Chairperson, Board of Trustees

16<sup>TH</sup> October 2018

# South Australian Country Arts Trust

## Statement of Comprehensive Income For The Year Ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
<b>Expenses</b>			
Employee benefits expenses	4	5 106	5 000
Program expenses	6	1 680	1 797
Infrastructure expenses	6	1 408	1 836
Administration expenses	6	906	838
Grants and subsidies expense	7	629	610
Depreciation and amortisation expense	8	1 636	1 657
Other expenses		-	1
<b>Total expenses</b>		<b>11 365</b>	<b>11 739</b>
<b>Income</b>			
Revenues from fees and charges	10	2 960	2 878
Commonwealth revenues	11	1 064	746
Grants and subsidies revenue	12	338	308
Interest revenues		72	124
Net gain (loss) from disposal of non-current assets	9	( 17)	( 308)
Other income	13	261	302
<b>Total income</b>		<b>4 678</b>	<b>4 050</b>
<b>Net cost of providing services</b>		<b>6 687</b>	<b>7 689</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government - Arts South Australia grants	14	5 324	5 046
Payments to SA Government	14	-	2 059
<b>Net revenue from SA Government</b>		<b>5 324</b>	<b>2 987</b>
<b>Net result</b>		<b>(1 363)</b>	<b>(4 702)</b>
<b>Total comprehensive result</b>		<b>(1 363)</b>	<b>(4 702)</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 2018

	Note No.	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	15	3 421	3 733
Receivables	16	204	177
Inventories		43	45
<b>Total current assets</b>		<b>3 668</b>	<b>3 955</b>
<b>Non-current assets</b>			
Property, plant and equipment	17	32 617	33 820
Works of art	17	136	117
<b>Total non-current assets</b>		<b>32 753</b>	<b>33 937</b>
<b>Total assets</b>		<b>36 421</b>	<b>37 892</b>
<b>Current liabilities</b>			
Payables	18	405	589
Employee benefits	19	687	695
Provisions	20	10	19
Other liabilities	21	193	173
<b>Total current liabilities</b>		<b>1 295</b>	<b>1 476</b>
<b>Non-current liabilities</b>			
Payables	18	84	75
Employee benefits	19	899	816
Provisions	20	15	34
<b>Total non-current liabilities</b>		<b>998</b>	<b>925</b>
<b>Total liabilities</b>		<b>2 293</b>	<b>2 401</b>
<b>Net assets</b>		<b>34 128</b>	<b>35 491</b>
<b>Equity</b>			
Asset revaluation surplus	22	37 934	37 934
Retained earnings	22	(3 806)	(2 443)
<b>Total equity</b>		<b>34 128</b>	<b>35 491</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Unrecognised contractual commitments	23		
Contingent assets and liabilities	24		

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 2018

		Asset revaluation surplus	Retained earnings	Total
	Note No.	\$'000	\$'000	\$'000
Balance at 30 June 2016		38 089	2 104	40 193
Net result for 2016-17		-	(4 702)	(4 702)
Total comprehensive result for 2016-17		-	(4 702)	(4 702)
Asset revaluation surplus taken to equity		( 155)	155	-
Balance as at 30 June 2017		37 934	(2 443)	35 491
Net result for 2017-18		-	(1 363)	(1 363)
Total comprehensive result for 2017-18		-	(1 363)	(1 363)
Balance at 30 June 2018	22	37 934	(3 806)	34 128

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

**Statement of Cash Flows**  
**For The Year Ended 30 June 2018**

	Note No.	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		(5 048)	(4 701)
Payments for supplies and services		(4 590)	(5 229)
Payments for grants and subsidies		( 697)	( 624)
<b>Cash used in operations</b>		<b>(10 335)</b>	<b>(10 554)</b>
<b>Cash inflows</b>			
Fees and charges		3 251	3 375
Receipts from Commonwealth		1 167	815
Receipts from grants and subsidies		295	303
Interest received		74	127
GST recovered from the Australian Taxation Office		36	74
Other receipts		311	303
<b>Cash generated from operations</b>		<b>5 134</b>	<b>4 997</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		5 357	5 092
Payments to SA Government:		-	(2 059)
<b>Cash generated from SA Government</b>		<b>5 357</b>	<b>3 033</b>
<b>Net cash provided by operating activities</b>		<b>156</b>	<b>(2 524)</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		( 516)	(2 487)
<b>Cash used in investing activities</b>		<b>( 516)</b>	<b>(2 487)</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		48	2 116
<b>Cash generated from investing activities</b>		<b>48</b>	<b>2 116</b>
<b>Net cash used in investing activities</b>		<b>( 468)</b>	<b>( 371)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>( 312)</b>	<b>(2 895)</b>
Cash and cash equivalents at the beginning of the financial year		3 733	6 628
<b>Cash and cash equivalents at the end of the financial year</b>	15	<b>3 421</b>	<b>3 733</b>

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

## South Australian Country Arts Trust

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**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 and visual arts display spaces;
- managing a number of arts development and community artist funding programs;
- the provision of policy advice to the Minister for the 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 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.

**2.2 Basis of preparation**

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes:
  - accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
  - compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in the financial statements:
- a) expenses incurred as a result of engaging consultants;
  - b) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly, by the entity to those employees; and
  - c) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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

### 2.3 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 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.

### 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.



## 2.8 Income

### Fees and Charges

Income from fees and charges is derived from goods and services provided to other SA Government agencies and to the public. The revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

### Grants and subsidies (Contributions) received

Grants are recognised as an asset and income when the Trust obtains control of the grant or obtains the right to receive the grant and the income recognition criteria is met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Trust has obtained control or the right to receive for:

- Grants with unconditional stipulations – this will be when the agreement becomes enforceable i.e the earlier of when the receiving entity has formally been advised that the grant has been approved; agreement/contract is executed; and/or grant is received.
- Grants with conditional stipulations – this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for grants received or receivable under the agreement.

The Trust receives grants with conditional and unconditional stipulations. Non-Commonwealth grants received by the Trust are unconditional.

### Commonwealth Revenues

Commonwealth grants are received from the Federal Government. The grants assist the Trust in its delivery of programs and projects, and have conditional stipulations attached (refer Note 11). The income is recognised in the manner described above.

### Revenues from SA Government

The Trust receives an annual recurrent operating grant from Arts South Australia, a division of the Department of State Development to undertake agreed programs. The recurrent operating grant is recognised as revenue when the Trust obtains control over the funding. Control over the annual recurrent operating grant is normally obtained upon receipt.

### Disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and has been calculated by comparing proceeds with the carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Any gain (loss) on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting the cost of the asset from the proceeds at that time.

## 2.9 Expenses

### Employee benefits expense

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

### Grants and subsidies

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 paid by the Trust generally have conditional stipulations attached.

### Depreciation and amortisation

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

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

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

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

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

Class of Asset	Useful Life (Years)
Buildings and improvements	7 to 70
Leasehold Improvements	10 to 40
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. Consequently, no amount for depreciation has been recognised for this class of asset.

## 2.10 Current and non-current classification

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.



## 2.11 Assets

### Cash and cash equivalents

Cash and cash equivalents as reported in the Statement of Financial Position include cash at bank, and cash on hand. Cash is measured at nominal value.

### Receivables

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

### Inventories

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.

### 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 \$1000 for works of art and \$5000 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 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 gross basis. For other depreciable assets subject to an independent revaluation, 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.

The Trust's land, building and improvements were revalued as at 30 June 2013. The valuation was undertaken by Valcorp Australia Pty Ltd. The fair values were determined as follows:

#### *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 30. 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.

The Trust's Works of Art collections were revalued as at 30 June 2014.

The valuation of the Works of Art collections controlled by the Trust was performed by Dr Elizabeth Arthur of Elizabeth Arthur Fine Art as at 30 June 2014. Dr Arthur 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 2014.

### 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 asset's 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, an impairment loss is offset against the respective class in the asset revaluation surplus.

## **2.12 Liabilities**

### Payables

Payables include creditors, accrued expenses and employment on-costs.

### Employee benefits

These 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.

#### *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.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departure and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash flows.

The long service liability has been allocated between current and non-current based on historical usage patterns and expected payments in 2018-19.

### Provisions

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.

The Trust is responsible for the payment of workers compensation claims.

## **2.13 Unrecognised contractual commitments and contingent assets and liabilities**

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

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

**Note 3. New and Revised Accounting Standards and Policies**

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

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. The Trust is in the process of assessing the impact of the new and amended standards and interpretations below.

Reference	Title and date of Standard application	Summary	Impact on financial statements	Application date for the Trust
AASB 16	<i>Leases</i> 1 January 2019	<p>This new standard introduces a single accounting model for lessees.</p> <p>The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments.</p> <p>In effect, the majority of leases currently classified as operating leases will be reported on the Statement of Financial Position.</p>	<p>This new standard is a significant departure from the past 30 years of accounting for leases.</p> <p>The Trust will make a more detailed assessment of the impact of AASB 16 over the next nine months.</p>	1 July 2019
AASB 15	<i>Revenue from Contracts with Customers</i> 1 January 2019	<p>AASB 15 is the new standard for revenue recognition and replaces AASB 111 <i>Construction Contracts</i> and AASB 118 <i>Revenue</i>.</p> <p>It establishes a comprehensive framework for determining whether, how and when revenue is recognised.</p> <p>The principle in the new standard is 'when control of a good or service transfers to a customer' rather than 'when the risk and rewards of ownership reside'.</p>	<p>The Trust is currently assessing the impact of AASB 15 and has identified there could be a potential impact on the timing of the recognition of revenue from some fees and charges.</p> <p>Presently, the Trust is unable to estimate the impact of AASB 15 on its financial statements. The Trust will make a more detailed assessment of the impact over the next nine months.</p>	1 July 2019
AASB 1058	<i>Income of Not-for-Profit Entities</i> 1 January 2019	<p>This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.</p> <p>AASB 15 and 1058 will supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation or a contribution by owners related to an asset received by the entity.</p> <p>AASB 1058 applies when a not-for-profit entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.</p>	<p>The Trust is currently assessing the impact of AASB 1058 and has identified there could be a potential impact on the timing of the recognition of certain revenue types.</p> <p>Presently, the Trust is unable to estimate the impact of AASB 1058 on its financial statements. The Trust will make a more detailed assessment of the impact over the next nine months.</p>	1 July 2019
AASB 9	<i>Financial Instruments</i> 1 January 2018	<p>AASB 9 applies, with some exceptions, to all types of financial instruments and introduces a new classification model for financial assets that is more principles-based than the previous requirements in AASB 139.</p> <p>A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.</p>	<p>The Trust has assessed the impact of AASB 9 and does not expect this standard to have a material impact upon the classification and valuation of its financial instruments.</p>	1 July 2018



# South Australian Country Arts Trust

<b>Note 4. Employee benefits expenses</b>		
<b>Employee Benefits Expenses</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	3 846	3 834
Long service leave	146	57
Annual leave	324	302
Skills and experience retention leave	17	15
Employment on-costs - superannuation*	535	507
Employment on-costs - other	213	206
Board and committees fees	26	23
Other employment related expenses**	(1)	56
<b>Total employee benefits expenses</b>	<b>5 106</b>	<b>5 000</b>

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

\*\* 2018 contains a write back of the workers compensation provision of \$28,000, refer to Note 20

## Key Management Personnel

Key management personnel of the Trust include the Premier, Board of Trustees and the Chief Executive Officer who have responsibility for the strategic direction and management of the Trust.

Total compensation for the Trust's key management personnel in 2017-18 was \$247,000 (2016-17 \$239,000). Salaries and other benefits the Premier receives are excluded from this total. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

## Remuneration of employees

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

	2018	2017
	No	No
\$219,001 to \$229,000	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 \$227,000 (\$221,000).

## Note 5. 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 2017-18 were:

### Board of Trustees

Michael Luchich, Chair	Anthony Sharley
Christabel Anthony	Ruth Stephenson <sup>(1)</sup>
Allan Aughey (to March 2018)	Stephanie Toole (from April 2018)
Jennifer Cleary (to July 2017)	Klynton Wanganeen (to April 2018)
Peter Dunn (to June 2018)	Olivia White (from August 2017)
Victoria MacKirdy	

### Committee Members

#### Grants Assessment Panel

Christabel Anthony, Chair	Gina Raisin (to April 2018)
Lee-Ann Buckskin	Judith Rogers
Alexandra Devitt-Lansom	Jennifer Silver
Cindy Durant	Kathie Stove
Danielle Edwards (from February 2018)	Sara Strachan
Michael Harris	Debra Tregilgas

#### Governance and Finance Committee

Victoria MacKirdy, Chair	Ruth Stephenson <sup>(1)</sup>
Allan Aughey (to March 2018)	Klynton Wanganeen (to April 2018)
Michael Luchich	

# South Australian Country Arts Trust

## Board of Trustees

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

	2018	2017
	No of	No of
\$0 - \$9 999	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 \$17,000 (\$15,000).

## Committee Members

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

	2018	2017
	No of	No of
\$0 - \$9 999	17	16
<b>Total numbers of members</b>	<b>17</b>	<b>16</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 \$11,000 (\$10,000).

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.

<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 6. Supplies and services

	2018	2017
	\$'000	\$'000
<b>Program expenses</b>		
Live touring expenses	726	801
Marketing	297	343
Cost of goods sold	173	184
Film distributor payments	339	319
Other	145	150
<b>Total program expenses</b>	<b>1 680</b>	<b>1 797</b>

<b>Infrastructure expenses</b>		
Repairs and maintenance	540	1 053
Information technology and communication	300	341
Utilities	314	250
Consultants	112	57
Insurance	108	105
Other	34	30
<b>Total infrastructure expenses</b>	<b>1 408</b>	<b>1 836</b>

	2018	2017
	\$'000	\$'000
<b>Administration expenses</b>		
Travel	144	143
Printing and stationery	30	37
Motor vehicle expenses	73	84
Freight	72	64
Board meeting travel and expenses	25	35
Staff development	99	130
Contractors and Temporary staff	363	253
Audit fees	44	43
Other	56	49
<b>Total administration expenses</b>	<b>906</b>	<b>838</b>

# South Australian Country Arts Trust

## Payments to consultants

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

	2018 No	2018 \$'000	2017 No	2017 \$'000
Below \$10,000	1	2	4	18
Above \$10,000	4	110	2	39
<b>Total paid/payable to the consultants engaged</b>	<b>5</b>	<b>112</b>	<b>6</b>	<b>57</b>

## Note 7. Grants and subsidies expense

	2018 \$'000	2017 \$'000
*Grants	629	610
<b>Total grants and subsidies expense</b>	<b>629</b>	<b>610</b>

\* Grants and subsidies expenses include Regional Arts Fund payments as well as payments to various other artists.

## Note 8. Depreciation and amortisation expense

	2018 \$'000	2017 \$'000
<b>Depreciation and Amortisation</b>		
Buildings and improvements	1 471	1 420
Plant and equipment	160	204
<b>Total depreciation expense</b>	<b>1 631</b>	<b>1 624</b>
Leasehold improvements	5	33
<b>Total amortisation expense</b>	<b>5</b>	<b>33</b>
<b>Total depreciation and amortisation expense</b>	<b>1 636</b>	<b>1 657</b>

## Note 9. Net gain (loss) from disposal of non-current assets

	2018 \$'000	2017 \$'000
<b>Buildings and Leasehold improvements</b>		
Proceeds from disposal	-	-
Net book value of assets disposed	-	( 490)
<b>Net (loss) from disposal of building and leasehold improvements</b>	<b>-</b>	<b>( 490)</b>
<b>Plant and equipment</b>		
Proceeds from disposal	48	57
Net book value of assets disposed	( 65)	( 74)
<b>Net gain (loss) from disposal of plant and equipment</b>	<b>( 17)</b>	<b>( 17)</b>
<b>Works of art</b>		
Proceeds from disposal	-	2 059
Net book value of assets disposed	-	(1 860)
<b>Net gain/(loss) from works of art</b>	<b>-</b>	<b>199</b>
<b>Total assets</b>		
Proceeds from disposal	48	2 116
Net book value of assets disposed	( 65)	(2 424)
<b>Total net gain (loss) from disposal of non-current assets</b>	<b>( 17)</b>	<b>( 308)</b>



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**Note 10. Revenues from fees and charges**

	2018	2017
	\$'000	\$'000
Box office- programmed performances	219	198
Box office- films	699	649
Ticket booking fees	403	501
Venue hire	532	470
Candy bar sales	442	440
Recovery of theatre costs	251	245
Sponsorship	116	90
National Touring	78	83
Artwork sales	11	4
Other	209	198
<b>Total fees and charges</b>	<b>2 960</b>	<b>2 878</b>

**Note 11. Commonwealth revenues**

	2018	2017
	\$'000	\$'000
Specific Purpose grant	1 064	746
<b>Total Commonwealth revenues</b>	<b>1 064</b>	<b>746</b>

Commonwealth grants consist of the following:

	2018	2017
	\$'000	\$'000
Department of Communications and the Arts - Regional Arts Fund	407	401
Department of Communications and the Arts - ANZAC Centenary Arts and Culture	34	60
Australia Council for the Arts - Regional Theatre Strategy	93	-
Australia Council for the Arts - Multi year funding	288	285
Australia Council for the Arts - The Young King	242	-
<b>Total Commonwealth revenues</b>	<b>1 064</b>	<b>746</b>

A significant specific purpose grant received by the Trust is for managing South Australia's component of the Regional Arts Fund on behalf of the Australian Government's Department of Communications and the Arts. The grant received from the Commonwealth for the Regional Arts Fund includes a component to reimburse Country Arts SA for administration costs. For additional disclosure on the Regional Arts Fund refer to Note 28.

**Note 12. Grants and Subsidies revenue**

	2018	2017
	\$'000	\$'000
<b>Grants and subsidies received/receivable from entities within SA Government</b>		
Specific purpose grant	201	215
<b>Total grants and subsidies revenue - SA Government entities</b>	<b>201</b>	<b>215</b>
<b>Grants and subsidies received/receivable from entities external to the SA Government</b>		
Specific purpose grant	137	93
<b>Total grants and subsidies revenue - Non SA Government entities</b>	<b>137</b>	<b>93</b>
<b>Total grants and subsidies revenue</b>	<b>338</b>	<b>308</b>

South Australian Country Arts Trust

<b>Note 13. Other income</b>		
	2018	2017
	\$'000	\$'000
Salary recoveries	194	209
Rental from buildings	-	10
Other	67	83
<b>Total other income</b>	<b>261</b>	<b>302</b>

<b>Note 14. Revenues from/payments to SA Government</b>		
	2018	2017
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Arts South Australia grants	5 324	5 046
<b>Total revenues from SA Government</b>	<b>5 324</b>	<b>5 046</b>
<b>Payments to SA Government</b>		
Other payments to the Consolidated Account*	-	2 059
<b>Total payments to SA Government</b>	<b>-</b>	<b>2 059</b>

\*The payment in 2017 represented return of sale proceeds to the Consolidated Account from the disposal of Works of Art housed at the Riddoch Art Gallery to the City of Mount Gambier on 1 July 2016.

<b>Note 15. Cash and cash equivalents</b>		
	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	3 412	3 723
Imprest account/cash on hand	9	10
<b>Total cash and cash equivalents</b>	<b>3 421</b>	<b>3 733</b>

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash represents fair value. The interest bearing funds of the Trust are held in the Deposit Account titled the "South Australian Country Arts Trust".

The carrying amount of cash and cash equivalents represents fair value.

<b>Note 16. Receivables</b>		
	2018	2017
	\$'000	\$'000
<b>Current</b>		
Trade receivables	125	83
Prepayments	73	71
Accrued income	6	23
<b>Total receivables</b>	<b>204</b>	<b>177</b>

**Allowance for doubtful debts**

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 2018 the Trust had no allowance for doubtful debts.

**Note 17. Property, plant and equipment**

**Valuations of land and buildings**

Valuations of Trust land, buildings and improvements were determined as at 30 June 2013 by a Certified Practising Valuer from Valcorp Australia Pty Ltd. Refer to Note 2.11 for details relating to the revaluation of the Trust's land, buildings and improvements.

**Valuations of Works of Art**

The valuation of the Works of Art controlled by the Trust was performed by Dr Elizabeth Arthur from Elizabeth Arthur Fine Art as at 30 June 2014. Dr Arthur is an approved valuer under the Cultural Gifts Program in the valuation of the Works of Art held in the Collection. Refer to Note 2.11 for details relating to the revaluation of the Trust's Works of Art collections.

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 2018.

	2018 \$'000	2017 \$'000
<b>Land, buildings and improvements</b>		
Land at fair value	2 988	2 988
Buildings & improvements at fair value	66 989	66 670
Accumulated depreciation	(38 285)	(36 814)
<b>Total land, buildings and improvements</b>	<b>31 692</b>	<b>32 844</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	1 741	1 705
Work in progress at cost	-	22
Accumulated depreciation and impairment losses	( 816)	( 756)
<b>Total plant and equipment</b>	<b>925</b>	<b>971</b>
<b>Leasehold improvements</b>		
Leasehold improvements at cost (deemed fair value)	-	178
Accumulated amortisation	-	( 173)
<b>Total leasehold improvements</b>	<b>-</b>	<b>5</b>
<b>Total property, plant and equipment</b>	<b>32 617</b>	<b>33 820</b>
<b>Works of art</b>		
Works of art at fair value	136	117
<b>Total works of art</b>	<b>136</b>	<b>117</b>

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT**

The following table shows the movement of property, plant and equipment during 2017-18

	Land, buildings and improvements \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Works of art \$'000	Works in progress (WIP) \$'000	Total assets \$'000
Carrying amount as at 30 June 2017	32 844	5	949	117	22	33 937
Acquisitions	319	-	90	19	89	517
Transfers to (from) WIP	-	-	111	-	( 111)	-
Disposals	-	-	( 65)	-	-	( 65)
Depreciation/ amortisation expense	(1 471)	( 5)	( 160)	-	-	(1 636)
<b>Carrying amount as at 30 June 2018</b>	<b>31 692</b>	<b>-</b>	<b>925</b>	<b>136</b>	<b>-</b>	<b>32 753</b>

<b>Note 18. Payables</b>		
	2018	2017
	\$'000	\$'000
<b>Current</b>		
Creditors and accruals	242	456
Taxation payable to the ATO	69	38
Employment on-costs	94	95
<b>Total current payables</b>	<b>405</b>	<b>589</b>
<b>Non-current</b>		
Employment on-costs	84	75
<b>Total non-current payables</b>	<b>84</b>	<b>75</b>
<b>Total payables</b>	<b>489</b>	<b>664</b>

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

**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 changed from the 2017 rate (40%) to 41% and the average factor for the calculation of employer superannuation on-cost has also changed from the 2017 rate (10.1%) to 9.9%. 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 19. Employee benefits</b>		
	2018	2017
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	172	194
Annual leave	246	267
Skills and experience retention leave	37	32
Long service leave	232	202
<b>Total current employee benefits</b>	<b>687</b>	<b>695</b>
<b>Non-current</b>		
Long service leave	899	816
<b>Total non-current employee benefits</b>	<b>899</b>	<b>816</b>
<b>Total employee benefits</b>	<b>1 586</b>	<b>1 511</b>

AASB 119 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.

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 term leave liability. The yield on long term Commonwealth Government bonds has remained at the rate of 2.5% in 2018 (2017 at 2.5%). Therefore there has been no impact from the bond yield, which is used as the rate to discount future long service leave cash flows, on the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and left it at 3% 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.

<b>Note 20. Provisions</b>		
	2018	2017
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	10	19
<b>Total provisions</b>	<b>10</b>	<b>19</b>
<b>Non-current</b>		
Provision for workers compensation	15	34
<b>Total non-current provisions</b>	<b>15</b>	<b>34</b>
<b>Total provisions</b>	<b>25</b>	<b>53</b>
<b>Provision movement:</b>		
Carrying amount at the beginning of the period	53	41
Additional provisions	-	12
Reductions resulting from re-measurement or settlement without cost	( 28)	-
<b>Carrying amount at the end of the period</b>	<b>25</b>	<b>53</b>

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 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.



**Note 21. Other liabilities**

	2018 \$'000	2017 \$'000
<b>Current</b>		
Unearned revenue	193	173
<b>Total other liabilities</b>	<b>193</b>	<b>173</b>

Unearned revenue predominantly relates to box office ticket sales taken in advance of the performance.

**Note 22. Equity**

	2018 \$'000	2017 \$'000
<b>Current</b>		
Retained earnings	(3 806)	(2 443)
Asset revaluation surplus	37 934	37 934
<b>Total equity</b>	<b>34 128</b>	<b>35 491</b>

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

**Note 23. 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:

	2018 \$'000	2017 \$'000
Within one year	-	732
<b>Total capital commitments</b>	<b>-</b>	<b>732</b>

	2018 \$'000	2017 \$'000
<b>Other commitments</b>		
Within one year	537	541
Later than one year but not longer than five years	156	293
<b>Total other commitments</b>	<b>693</b>	<b>834</b>

The Trust's Capital commitments in 2017 related to capital work upgrades at regional Art Centres , which have now been completed within 12 months. The Trust's other commitments mainly relate to grant, service and live tour/national performance

**Note 24. Contingent assets and liabilities**

The Trust is not aware of any contingent assets or liabilities as at 30 June 2018.

**Note 25. Financial instruments****Financial Risk Management**

Risk management is managed by the Trust's Corporate Resources Manager 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 Note 2 'Summary of Significant Accounting Policies'.

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 No.	Carrying Amount/ fair value 2018 \$'000	Carrying Amount/ fair value 2017 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	15	3 421	3 733
Loans and receivables	Receivables <sup>(1)(2)</sup>	16	131	106
<b>Financial liabilities</b>				
Financial liabilities - at cost	Payables <sup>(1)</sup>	18	190	405

<sup>(1)</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>(2)</sup> Receivable amounts disclosed here excludes prepayments. Prepayments are not financial assets as defined in AASB 132, as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.



**Note 26. Related Party Transactions**

The Trust is a statutory authority established pursuant to the *South Australian Country Arts Trust Act 1992* and is a wholly owned and controlled entity of the Crown.

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.

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

Compensation of Key Management Personnel is disclosed in Note 4

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

**Note 27. Events after balance date**

There are no events after 30 June 2018 that require disclosure.

**Note 28. Regional Arts Fund**

The Trust manages the South Australian component of the Regional Arts Fund on behalf of the Commonwealth Government's Department of Communications and the Arts. The Regional Arts Fund is a Commonwealth program that supports artistic cultural development in regional and remote communities throughout Australia.

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

	2018 \$'000	2017 \$'000
Funds brought forward from previous year	-	-
Funds from prior year recommitted	-	-
Annual regional arts fund allocation	407	401
Grant funds returned by applicants	4	5
Interest earned	1	1
<b>Total funds available</b>	<b>412</b>	<b>407</b>
<b>Expenditure and grant commitments approved during the year</b>	<b>412</b>	<b>407</b>
<b>Funds carried forward</b>	<b>-</b>	<b>-</b>