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

Qualified opinion

I have audited the financial report of the South Australian Country Arts Trust (the Trust) (the South Australian Country Arts Trust and its controlled entity) for the financial year ended 30 June 2024.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Trust as at 30 June 2024, 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 Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairperson, Board of Trustees, Chief Executive and the Chief Financial Officer.

Basis for qualified opinion

I was unable to obtain sufficient appropriate audit evidence about whether the carrying amount of land and buildings materially reflected fair value.

Following initial recognition, the Trust is required to recognise property, plant and equipment at fair value in accordance with *Treasurer's Instructions (Accounting Policy Statements) (TI)(APS)*.

AASB 116 Property, Plant and Equipment requires entities to undertake revaluations with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

As detailed in note 5 of the Trust's financial report, the reported value of land and buildings as at 30 June 2024 is \$29.3 million based on a valuation which was undertaken in 2019, less subsequent accumulated depreciation. There have been no adjustments for impairment or for other changes in the assets' fair values.

Given the current market conditions and rising costs following the COVID-19 pandemic, together with a number of issues identified by the Trust which may warrant changes to underlying valuation assumptions and/or impairment of these assets, we do not consider the existing valuations are sufficient to support the fair value of land and buildings.

Management was unable to provide sufficient evidence that the asset carrying values materially reflect fair value. As such I am unable to determine whether any adjustments to these amounts were necessary.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 Australian Accounting Standards – Simplified Disclosures, 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 that 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 and consolidated 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 Trust for the financial year ended 30 June 2024.

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 the 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 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 the 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.



Andrew Blaskett
Auditor-General

27 September 2024

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South Australian Country Arts Trust

**Annual Financial Statements
for the year ended
30 June 2024**

**Country Arts SA
ABN: 63 908 129 329
85 North East Road, COLLINSWOOD, SA 5081
www.countryarts.org.au
Contact phone number: (08) 8444 0400**

Certification of the Financial Statements

We certify that the:

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



Anthony Peluso
Chief Executive
27 September 2024



Anthony Jones
Chief Financial Officer
27 September 2024



Kath M Mainland CBE
Chairperson, Board of Trustees
27 September 2024

South Australian Country Arts Trust
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
SA Government grants, subsidies and transfers	2.1	4,517	4,871
Fees and charges	2.2	2,696	2,489
Commonwealth-sourced grants and funding	2.3	630	451
Grants and subsidies revenue	2.4	1,011	889
Interest revenues		266	211
Net gain (loss) from disposal of non-current assets		(5)	7
Other income	2.5	890	647
Total income		10,005	9,565
Expenses			
Employee related expenses	3.3	5,664	5,136
Program expenses	4.1	1,601	1,620
Infrastructure expense	4.1	1,477	1,311
Administration expenses	4.1	1,120	1,227
Grants and subsidies	4.2	189	130
Depreciation and amortisation	5.1	2,146	2,125
Total expenses		12,197	11,549
Net result		(2,192)	(1,984)
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		-	-
Total other comprehensive income		-	-
Total comprehensive result		(2,192)	(1,984)

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

South Australian Country Arts Trust

Statement of Financial Position

as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.2	5,080	5,909
Receivables	6.3	225	197
Inventories		39	43
Other assets		45	61
Total current assets		5,389	6,210
<u>Non-current assets</u>			
Property, plant and equipment	5.1	31,076	32,353
Works of art	5.1	343	343
Total non-current assets		31,419	32,696
Total assets		36,808	38,906
<u>Current liabilities</u>			
Payables	7.2	1,324	954
Employee related liabilities	3.4	993	835
Provisions	7.3	31	27
Other current liabilities	7.4	718	1,195
Total current liabilities		3,066	3,011
<u>Non-current liabilities</u>			
Employee related liabilities	3.4	466	465
Provisions	7.3	135	97
Total non-current liabilities		601	562
Total liabilities		3,667	3,573
Net assets		33,141	35,333
<u>Equity</u>			
Retained earnings		(11,285)	(9,093)
Asset revaluation surplus		44,426	44,426
Total equity		33,141	35,333

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

South Australian Country Arts Trust

Statement of Changes in Equity

for the year ended 30 June 2024

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2022	44,426	(7,109)	37,317
Net result	-	(1,984)	(1,984)
Balance at 30 June 2023	44,426	(9,093)	35,333
Net result	-	(2,192)	(2,192)
Balance at 30 June 2024	44,426	(11,285)	33,141

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

South Australian Country Arts Trust

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
SA Government grants, subsidies and transfers		4,517	4,871
Fees and charges		2,462	2,522
Receipts from Commonwealth-sourced grants and funding		630	451
Receipts from grants and subsidies		1,011	889
Interest received		245	190
GST recovered from the ATO		14	-
Other receipts		980	710
Cash generated from operations		9,859	9,633
<u>Cash outflows</u>			
Employee related payments		(5,502)	(5,425)
Payments for supplies and services		(4,146)	(4,880)
Payments of grants and subsidies		(189)	(130)
Cash used in operations		(9,827)	(10,435)
Net cash provided by/(used in) operating activities		22	(801)
<u>Cash flows from investing activities</u>			
<u>Cash inflows</u>			
Proceeds from the sale of property, plant and equipment		-	20
Cash generated from investing activities		-	20
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(851)	(392)
Cash used in investing activities		(851)	(392)
Net cash provided by/(used in) investing activities		(851)	(372)
Net increase/(decrease) in cash and cash equivalents		(829)	(1,174)
Cash and cash equivalents at the beginning of the period		5,909	7,083
Cash and cash equivalents at the end of the period	6.2	5,080	5,909

The accompanying notes form part of these financial statements.

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1. About the South Australian Country Arts Trust

Established in 1993, the South Australian Country Arts Trust (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 Trust has a wide ranging responsibility 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;
- managing a number of arts development and community artist funding programs;
- the provision of policy advice to the Minister of 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.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the agency 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 identified in the notes to the financial statements.

The Trust is not subject to income tax. The Trust is liable for payroll tax, fringe benefit 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:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle 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 net realisable value.

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.

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

1.2. Principles of Consolidation

Controlled entities are those entities over 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 the Foundation, which is a controlled entity of the Trust. Refer to note 8.5.

1.3. Comparative information

The presentation and classification of items in the financial statements is 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 has been amended, comparative figures have been adjusted to confirm to changes in presentation or classification in these statements unless impracticable.

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

2. Income

2.1. SA Government grants, subsidies and transfers

	2024 \$'000	2023 \$'000
Arts South Australia grants	4,517	4,871
Total SA Government grants, subsidies and transfers	4,517	4,871

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 for Not-for-Profit Entities* and is recognised as income on receipt, as there are no specific performance obligations attached.

2.2. Fees and charges

	2024 \$'000	2023 \$'000
Box office – programmed performances	92	96
Box office – films	492	479
Ticket booking fees	408	352
Venue hire	583	550
Candy bar sales	490	424
Recovery of theatre costs	342	269
Sponsorships	50	19
National touring	81	131
Other	158	169
Total fees and charges	2,696	2,489

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

2.3. Commonwealth-sourced grants and funding

	2024 \$'000	2023 \$'000
Specific purpose grants	630	451
Total Commonwealth-sourced grants and funding	630	451

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

2.4. Grants and subsidies revenue

	2024 \$'000	2023 \$'000
Specific purpose grant from entities within SA Government	238	315
Specific purpose grant from entities external to SA Government	773	574
Total grants and subsidies revenue	1,011	889

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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.

2.5. Other income

	2024 \$'000	2023 \$'000
Salary recoveries	789	620
Foundation income	46	19
Insurance recovery	9	1
Other	46	7
Total other income	890	647

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

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Trust include the Minister, Board of Trustees and the Chief Executive Officer who are responsible for the strategic direction and management of the Trust. Total compensation for key management personnel was \$271,000 in 2023-24 (2022-23 \$256,000).

The compensation disclosed in this note excludes salaries and other benefits the Minister for Arts receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

A Board of Trustees member, who is a sole trader of a business was engaged due to their unique skill set to deliver a programme of weaving workshops, at a community hub on Barngarla land. The services were engaged for \$1,350. As at year end, there are no amounts outstanding.

3.2. Board and committee members

Members during the 2024 financial year were:

Board of Trustees

Christabel (Christie) Anthony* (term end Feb-24)	Shouwn Oosting
Susan (Suzie) Betts	Stephanie Toole
Victoria MacKirdy	Ella Winnall
Michael Lennon, Chair (resigned Feb-24)	Darren Braund (appointed Jul-23)
Ian McKay	Simone Bailey (appointed Feb-24)
	Kath M Mainland CBE*, Chair (appointed Feb-24)

Committee Members

Government and Finance Committee

Victoria MacKirdy, Chair	Ian McKay (appointed Jul-23)
Michael Lennon (resigned Feb-24)	Darren Braund (appointed Jul-23)
Stephanie Toole (resigned Jul-23)	Simone Bailey (appointed Feb-24)

First Nations Advisory Committee

Danielle Deshong	Shouwn Oosting, Chair
Lee-Ann Buckskin	Susan (Suzie) Betts
Isaac Lindsay (term end Oct-23)	Shania Richards (appointed Oct-23)

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Grants Assessment Panel

Christabel (Christie) Anthoney*, Chair	Lucia Pichler
Danielle Deshong (resigned Apr-24)	Michael Colbung
Ella Winnall	Nic Tubb*
Fulvia Mantelli	Sandy Hahn (appointed Dec-23)
Jasmine Swales-Smith	Susan (Suzie) Betts (appointed Feb-24)
Lewis Major	

*In accordance with Premier and Cabinet Circular 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2024	2023
\$0 - \$19 999	24	27
Total number of members	24	27

The total remuneration received or receivable by members was \$18,000 (2022-23 \$11,400). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. Any travel allowance paid to Board or Committee members has not been included as remuneration as it is considered to be a reimbursements of direct out of pocket expenses incurred by the relevant members.

3.3. Employee related expenses

	2024 \$'000	2023 \$'000
Salaries and wages	4,366	3,952
Long service leave	128	58
Annual leave	350	274
Skills and experience retention leave	17	13
Employment on-costs - superannuation	508	560
Employment on-costs - other	227	218
Board and committee fees	17	16
Workers compensation	42	12
Other employee related expenses	9	33
Total employee related expenses	5,664	5,136

Employment on-costs - superannuation

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

Employee remuneration

	2024 No	2023 No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$246 001 to \$266 000	1	1
Total	1	1

The total remuneration received by those employees for the year was \$257,000 (2022-23 \$249,000).

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The table includes all employees whose normal remuneration was 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 as well as any termination benefits for employees who have left the Trust.

3.4. Employee related liabilities

	2024 \$'000	2023 \$'000
Current		
Accrued salaries and wages	127	76
Annual leave and TOIL	358	304
Long service leave	332	319
Skills and experience retention leave	40	36
Employment on-costs	136	100
Total current employee related liabilities	993	835
Non-current		
Long service leave	423	423
Employment on-costs	43	42
Total non-current employee related liabilities	466	465
Total employee related liabilities	1,469	1,300

Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

Long service leave

The liability for long service leave is measured at 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 expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are 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. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.0%) to 2024 (4.25%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

The current portion of employee related liabilities reflects the amount for which the Trust does not have the right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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The department contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2023 rate of 43% to 44% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2023 rate of 11.1% to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in employee benefits expense of \$37,600 (not including oncosts). The impact on future periods is impracticable to estimate.

4. Expenses

Employee related expenses are disclosed in note 3.3.

4.1. Supplies and services

<i>Program expenses</i>	2024 \$'000	2023 \$'000
Live touring expenses	636	728
Marketing	221	192
Cost of goods sold	227	195
Film distributor payments	233	233
Production show expenses	112	126
Other	172	146
Total Program Expenses	1,601	1,620

<i>Infrastructure expenses</i>	2024 \$'000	2023 \$'000
Repairs and maintenance	506	496
Information technology and communication	433	388
Utilities	271	270
Consultants	83	25
Insurance	166	113
Other	18	19
Total Infrastructure expenses	1,477	1,311

<i>Administration expenses</i>	2024 \$'000	2023 \$'000
Travel	225	178
Printing and stationery	36	49
Motor vehicle expense	36	26
Freight	45	139
Staff development	64	56
Contractors and temporary staff	592	673
Other *	122	106
Total Administration expenses	1,120	1,227

* Other expenses include Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 of \$51,000 (2022-23 \$45,000).

4.2. Grants and subsidies

	2024 \$'000	2023 \$'000
Grants	189	130
Total grants and subsidies	189	130

Grants and subsidies paid by the Trust are for arts related assistance and project purposes and are predominately 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 liability and expense when the Trust has a present obligation to pay the contribution.

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned. The assets presented below do not meet the definition of investment property.

	Land \$'000	Building & improvements \$'000	Plant & equipment \$'000	Works of art \$'000	Work in progress \$'000	Total \$'000
Gross carrying amount	3,690	35,109	3,248	343	354	42,744
Accumulated Depreciation	-	(9,480)	(1,845)	-	-	(11,325)
Carrying amount	3,690	25,629	1,403	343	354	31,419
Reconciliation 2023-24						
Carrying amount at the beginning of the period	3,690	26,951	1,619	343	93	32,696
Acquisitions	-	519	6	-	349	874
Transfers to (from) WIP	-	88	-	-	(88)	-
Disposals e.g. sales, write off	-	-	(5)	-	-	(5)
Depreciation	-	(1,929)	(217)	-	-	(2,146)
Carrying amount at the end of the period	3,690	25,629	1,403	343	354	31,419

Revaluation surplus relating to de-recognised property, plant and equipment is transferred to retained earnings on de-recognition.

5.2. Recognition, useful life and depreciation

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. Non-current assets are initially recorded at cost, or at the value of liabilities assumed, plus any incidental cost involved with the acquisitions. 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.

Depreciation is calculated on a straight-line basis. Assets depreciation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Building and improvements	7 to 70
Plant and equipment	3 to 20

5.3. Revaluation of non-current assets owned by the Trust

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, when they are re-valued to fair value.

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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 buildings and improvements (Art Centres) 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

Trust's land, buildings and improvements were revalued as at 30 June 2019 by Fred Taormina, 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 – Art Centres

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 Readers 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 Collection.

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 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, a fair value assessment is performed each year.

There were no indications of impairment of property plant and equipment at 30 June 2024.

6. Financial assets

6.1. Categorisation of financial assets

	2024 Carrying amount \$'000	2023 Carrying amount \$'000
Financial assets		
Cash and equivalents		
Cash and cash equivalents	5,080	5,909
Financial assets at amortised cost		
Contractual receivables	647	176
Total financial assets	5,727	6,085

6.2. Cash and cash equivalents

	Note	2024 \$'000	2023 \$'000
Deposits with the Treasurer		4,934	5,777
Imprest accounts / cash on hand		8	14
Cash on Hand – Foundation	8.5	138	118
Total cash and cash equivalents		5,080	5,909

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

6.3. Receivables

	2024 \$'000	2023 \$'000
Contractual receivables from government entities	86	115
Contractual receivables from non-government entities	115	61
Accrued income	24	21
Total receivables	225	197

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

7. Liabilities

Employee related liabilities are disclosed in note 3.4.

7.1. Categorisation of financial liabilities

	2024 Carrying amount \$'000	2023 Carrying amount \$'000
Financial liabilities		
Financial liabilities at amortised cost		
Payables	667	697
Total financial liabilities	667	697

Payables disclosed in this note do not include accrued expenses or statutory amounts as these are non- financial instruments.

7.2. Payables

	2024 \$'000	2023 \$'000
Current		
Contractual payables	667	697
Accrued expenses	450	112
Statutory payables		
Government taxes and equivalents	156	96
Audit Fees	51	50
Total statutory payables	207	146
Total current payables	1,324	954
Total payables	1,324	954

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Auditor General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

7.3. Provisions

	2024 \$'000	2023 \$'000
<u>Current</u>		
Workers Compensation	27	27
Additional compensation	4	-
Total current provisions	31	27
<u>Non-Current</u>		
Workers Compensation	97	85
Additional compensation	38	12
Total non-current provisions	135	97
Total provisions	166	124

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 2024 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.

7.4. Other liabilities

	2024 \$'000	2023 \$'000
<u>Current</u>		
Unearned revenue	570	789
Contract liabilities	148	406
Total current other liabilities	718	1,195
Total other liabilities	718	1,195

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

8. Other notes

8.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and are inclusive of non-recoverable GST.

Capital contractual commitments

	2024 \$'000	2023 \$'000
Not later than one year	109	790
Total capital commitments	109	790

Other contractual commitments

The Trust's other contractual commitments comprise of service and live tour performance agreements and software licencing agreements.

	2024 \$'000	2023 \$'000
Not later than one year	149	212
Later than one year but not later than five years	69	118
Total expenditure commitments	218	330

8.2. Contingent assets and liabilities

The Trust is not aware of any contingent assets or liabilities as at 30 June 2024.

8.3. Events after the reporting period

There are no events after 30 June 2024 that require disclosure.

8.4. 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 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 of the Fund.

The Trust received and manages a one-off payment for the South Australian component of a Recovery Boost to be disbursed over 3 years. 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 Recovery Boost funding concluded in the 2023-24 financial year.

	2024 \$'000	2023 \$'000
Funds from prior year recommitted	48	155
Annual regional arts fund allocation	615	914
Administration costs incurred by the Trust	140	185
Interest earned	-	4
Total funds available	803	1,258
Expenditure and grant commitments approved during the year	795	1,210
Funds carried forward	8	48

8.5. Country Arts Foundation

The consolidated financial statements as at 30 June 2024 include the Country Arts Foundation Ltd. The Foundation is registered charity with charity programs to champion arts in regional South Australia.

	2024 \$'000	2023 \$'000
Revenue	43	19
Expenses	23	76
Surplus (Deficit)	<u>20</u>	<u>(57)</u>
Cash at Bank	<u>138</u>	<u>118</u>

All gifts and money received by the Trust from the Foundation are used to undertake special projects on behalf of the Trust. In 2023-24, \$20,000 was used to fund Nebula and \$1,500 to fund Tix on Us (In 2022-23 \$75,000 was used to fund the Euphoria Film).