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To the Chair of the Board West Beach Trust

Opinion

I have audited the financial report of the West Beach Trust for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the West Beach Trust as at 30 June 2024, its financial performance and its 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.

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 Chair of the Board, the Chief Executive Officer and the General Manager Corporate Services.

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 West Beach 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 opinion.

Responsibilities of the Chief Executive Officer and members of the Trust for the financial report

The Chief Executive Officer 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, 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 Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer 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 members of the Trust are 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 17(2) of the *West Beach Recreation Reserve Act 1987*, I have audited the financial report of the West Beach 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 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 West Beach 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 Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

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



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

25 September 2024

West Beach Trust

Certification of the Financial Statements

We certify that the:

- financial statements of the West Beach 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 operation and cash flows for the financial year.
- internal controls employed by the Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



K L Anderson
Chief Executive Officer



M J Jeffreys AM
Chair of Board



V J Mifsud
General Manager
Corporate Services

Dated: 19 September 2024

West Beach Trust

Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Fees and charges	2.1	21,707	20,816
SA Government grants, subsidies and transfers	2.2	1,059	1,059
Interest revenues	2.3	6	136
Net gain from the disposal of non-current assets	2.4	-	37
Other income	2.5	271	131
Total income		23,043	22,179
Expenses			
Employee related expenses	3.3	10,108	9,158
Supplies and services	4.1	8,092	8,100
Depreciation and amortisation	4.3	3,403	3,198
Borrowing costs	4.4	412	296
Other expenses	4.5	711	818
Total expenses		22,726	21,570
Profit (loss) before income tax equivalents		317	609
Income tax equivalent expense	1.3	95	183
Profit (loss) after income tax equivalents		222	426
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		43,609	-
Total other comprehensive income		43,609	-
Total comprehensive result		43,831	426

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

West Beach Trust

Statement of Financial Position As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	816	1,886
Receivables	6.2	1,224	653
Inventories	5.5	120	97
Total current assets		2,160	2,636
<u>Non-current assets</u>			
Property, plant and equipment	5.1	141,582	95,808
Intangible assets	5.4	179	132
Total non-current assets		141,761	95,940
Total assets		143,921	98,576
<u>Current liabilities</u>			
Payables	7.1	2,400	2,114
Contract liabilities	7.2	1,798	2,004
Financial liabilities	7.3	551	445
Employee related liabilities	3.4	841	732
Total current liabilities		5,590	5,295
<u>Non-current liabilities</u>			
Financial liabilities	7.3	8,522	7,478
Employee related liabilities	3.4	824	649
Total non-current liabilities		9,346	8,127
Total liabilities		14,936	13,422
Net assets		128,985	85,154
<u>Equity</u>			
Retained earnings		23,755	23,533
Asset revaluation Surplus	8.1	105,230	61,621
Total equity		128,985	85,154

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

West Beach Trust

Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2022		61,621	23,107	84,728
<u>Net result for 2022-2023</u>		-	426	426
Total comprehensive result for 2022-2023		-	426	426
Balance at 30 June 2023		61,621	23,533	85,154
<u>Net result for 2023-2024</u>		-	222	222
Gain on revaluation of land, buildings and improvements during 2023-24		43,609	-	43,609
Total comprehensive result for 2023-2024		43,609	222	43,831
Balance at 30 June 2024		105,230	23,755	128,985

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

West Beach Trust

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<u>Cash flows from operating activities</u>			
<i><u>Cash inflows</u></i>			
Fees and charges		23,115	22,989
SA Government grants, subsidies and transfers		1,147	1,000
Interest received		6	136
Other receipts		271	131
Cash generated from operations		24,539	24,256
<i><u>Cash outflows</u></i>			
Employee related payments		(9,805)	(9,105)
Payments for supplies and services		(8,882)	(9,504)
Interest paid		(399)	(292)
GST paid to the ATO		(886)	(746)
Income tax equivalent payments		(183)	(124)
Other payments		(658)	(561)
Cash used in operations		(20,813)	(20,332)
Net cash provided by/(used in) operating activities	8.2	3,726	3,924
<u>Cash flows from investing activities</u>			
<i><u>Cash inflows</u></i>			
Proceeds from sale of property, plant and equipment		18	111
Construction works reimbursed from another agency		2,132	-
Cash generated from investing activities		2,150	111
<i><u>Cash outflows</u></i>			
Purchase of property, plant and equipment		(5,831)	(5,167)
Purchase of intangibles		(78)	(78)
Construction works payments on behalf of another agency		(2,132)	-
Cash used in investing activities		(8,041)	(5,245)
Net cash provided by/(used in) investing activities		(5,891)	(5,134)
<u>Cash flows from financing activities</u>			
<i><u>Cash inflows</u></i>			
Proceeds from borrowings		1,600	-
Proceeds from other financial liabilities		-	25
Cash generated from financing activities		1,600	25
<i><u>Cash outflows</u></i>			
Repayment of borrowings		(404)	(1,160)
Repayment of principal portion of lease liabilities		(101)	(276)
Cash used in financing activities		(505)	(1,436)
Net cash provided by/(used in) financing activities		1,095	(1,411)
Net increase/(decrease) in cash and cash equivalents		(1,070)	(2,621)
Cash and cash equivalents at the beginning of the period		1,886	4,507
Cash and cash equivalents at the end of the period	6.1	816	1,886

The accompanying notes form part of these financial statements.

West Beach Trust

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West Beach Trust

1. About the West Beach Trust

The West Beach Trust (Trust) is a statutory authority of the State of South Australia, established pursuant to the *West Beach Recreation Reserve Act 1987*. The Trust is a body corporate subject to the control and direction of the Minister for Planning, Trade and Investment, Housing and Urban Development.

The financial statements and accompanying notes cover the West Beach Trust as an individual reporting entity.

The Trust does not control any other entity and has no interests in unconsolidated structured entities.

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.

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Trust has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

1.2 Functions and objectives

The functions and objectives of the Trust are:

- a) to administer and develop the West Beach Recreation Reserve in accordance with its strategic and business plans -
 - 1) as a sporting, cultural and recreational complex of State-wide significance; and
 - 2) as a tourist attraction and resort; and
- b) to promote and encourage the use and enjoyment of the Reserve by the public; and
- c) to perform any other function assigned to the Trust by the *West Beach Recreation Reserve Act 1987* or the Minister.

West Beach Trust

1.3 Taxation

In accordance with *Treasurer's Instruction 22 Tax Equivalent Payments*, the Trust is required to pay to the SA Government an income tax equivalent. The income tax liability has been determined in accordance with the accounting profit method by multiplying the corporate income tax rate (presently 30%) by the profit before income tax equivalents. An income tax equivalent of \$95,382 (2022-23 \$182,941) is payable for the reporting period.

The Trust is also liable for payroll tax, fringe benefits tax, stamp duty, goods and services tax (GST), emergency services levy and land tax equivalents. It is exempt from paying local government council rates.

The Trust is reimbursed under the State's Tax Equivalent Regime for payments made for income tax, payroll tax, land tax and stamp duty to support its continued commitment to its community service obligations. The Trust is reimbursed by the Department for Trade and Investment. The Trust was previously reimbursed by the Attorney-General's Department. Reimbursements under the State Taxation Equivalent Regime are recognised as revenue in the Trust's financial statements.

1.4 Significant transactions with government related entities

There were no significant transactions with government related entities, other than:

- payments to SA Water of \$762,000 for utilities.
- payments to Department for Infrastructure and Transport of \$67,000, primarily for project administration support in relation to capital works.
- payments to Attorney-General's Department of \$59,000 for Crown Solicitor's Office legal advice
- total net loan repayments of \$404,000 to SAFA, all of which was on long term borrowings.
- Construction works reimbursed from SAPOL of \$2,914,000
- transactions as directed by legislation or under the State's Taxation Equivalent Regime.

1.5 South Australia Police (SAPOL) Road Safety Centre (RSC) at West Beach Parks.

On 27 September 2022, the State Government announced that the new Women's and Children's Hospital will be built at Port Road, Adelaide on the site of the Thebarton Police Barracks. This decision required SAPOL to vacate the site in 2024, including the RSC which is being relocated to a new standalone facility on vacant government land administered by the West Beach Trust (the Trust) on Military Road, West Beach.

On 10 November 2023 the Treasurer, as lead Minister for the Thebarton Barracks Relocation Project, approved in accordance with *Treasurer's Instruction 18 Procurement*, for the Trust to manage the construction of the RSC utilising its own internal procurement framework. Accordingly, the asset is owned by SAPOL with the Trust managing the construction project and progressively paying the lead contractor (Partek) for confirmed works completed, upon verification from an independent Property and Construction Cost Consultant. The Trust then lodges a claim with SAPOL for the cost of the progress claim, with these funds being promptly reimbursed back to the Trust by SAPOL.

On 15 November 2023 the Minister for Planning directed the Trust to provide the vacant parcel of land on Military Road adjacent to the West Beach Parks Holiday Park to SAPOL for the relocation and construction of the RSC. The Minister also approved the Trust granting a 20-year lease/licence over the proposed site to SAPOL through the establishment of an appropriate Memorandum of Administrative Agreement for this purpose.

These financial statements reflect transactions in relation to the project (refer Notes 5.1, 6.2 and 7.1).

West Beach Trust

2. Income

2.1 Fees and charges

	2024	2023
	\$'000	\$'000
Accommodation tariffs	15,775	15,864
Discounts allowed	(387)	(345)
Facilities and services	238	283
Golf income	4,611	3,772
Boat launching fees	67	67
Rental revenue	869	842
Sale of goods	534	333
Total fees and charges	21,707	20,816

All revenue from fees and charges is revenue recognised from contracts with customers, apart from rental revenue which is recognised as operating lease income.

Revenue from accommodation tariffs is recognised when goods and services are provided at either the Holiday Park or Retreat.

Revenue from Golf income includes green fees, driving range fees and Pro Shop sales. This income is recognised when the goods and services are provided. Revenue from golf income also includes a Playing Rights contribution from Westward Ho Golf Course members. This is paid to the Trust in advance and is initially recognised as a contract liability. Income is then recognised monthly consistent with the membership period.

Rental revenue is primarily derived from Tenants who have a ground lease. All Tenants are invoiced in advance per contract terms with income recognised consistent with the rental period.

The other major income source listed above is from the sale of goods, food and beverage sales from the Holiday Park Kiosk and Customer Service reception being the major component. This income is recognised when the sale of goods occurs.

Refer to note 6.2 for disclosure relating to contract balances included in receivables.

Refer to note 7.2 for disclosure relating to contract liabilities.

2.2 SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Skilling South Australia	-	21
Reimbursement of tax equivalents paid	1,059	1,038
Total revenues from SA Government	1,059	1,059

The Skilling South Australia funding which is administered by the Department of Innovation and Skills supported the delivery of the West Beach Parks Developing Potential Program.

Tax equivalents represent income tax, payroll tax, land tax and stamp duty. The Trust is reimbursed these amounts under the State's Tax Equivalent Regime. The Trust is reimbursed by the Department for Trade and Investment, with income recognised in conjunction with the related expenses.

West Beach Trust

2.3 Interest

	2024	2023
	\$'000	\$'000
Investments with SAFA	6	135
Cash and cash equivalents	-	1
Total interest revenues	6	136

2.4 Net gain/loss from the disposal of non-current assets

	2024	2023
	\$'000	\$'000
<u>Buildings and improvements</u>		
Proceeds from disposal	-	76
Less net book value of assets disposed	-	(20)
Net gain/(loss) from disposal of buildings and improvements	-	56
<u>Plant and equipment</u>		
Proceeds from disposal	18	35
Less net book value of assets disposed	(18)	(54)
Net gain/(loss) from disposal of plant and equipment	-	(19)
<u>Total assets</u>		
Total proceeds from disposal	18	111
Less total value of assets disposed	(18)	(74)
Total net gain/(loss) from the disposal of non-current assets	-	37

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is not transferred to retained earnings.

2.5 Other income

	2024	2023
	\$'000	\$'000
Employee cost reimbursements	3	-
Lessee on-charges	41	40
Insurance recovery - Stolen or damaged items	59	-
Other	168	91
Total other income	271	131

West Beach Trust

3. Board, committees and employees

3.1 Key management personnel

Key management personnel of the Trust are the Minister for Planning, Trade and Investment, Housing and Urban Development, Members of the Board, the Chief Executive Officer and the three (2022-23 three) members of the Executive Team who have responsibility for the strategic direction and management of the Trust. Total compensation for key management personnel was \$941,000 in 2023-2024 and \$897,000 in 2022-2023

The compensation disclosed in this note excludes salaries and other benefits the Minister for Planning, Trade and Investment, Housing and Urban Development 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 (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	847	805
Post-employment benefits	93	84
Other long-term employment benefits	1	8
Total compensation	941	897

3.2 Board and committee members

Members of the board during the 2023-2024 financial year were:

WBT Board

Ms Jane Jeffreys (Chair)

Mr Bruce Djite (Deputy Chair)

Ms Rebecca Abley

Mr Kym Master (resigned 22 August 2023)

Ms Emily Perry

Mr Adrian Ralph

Mr George Vlahos (term expired 29 February 2024)

Ms Leesa Chessier (appointed 2 January 2024)

Ms Cynthia O'Rielley (appointed 29 February 2024)

Board Remuneration

The number of Board members whose remuneration received or receivable from the Trust fell within the following bands was:

	2024	2023
\$0 - \$19,999	8	7
\$20,000 - \$39,999	1	1
Total number of members	9	8

The total remuneration received or receivable by members was \$101,000 (2022-23 \$104,000). Remuneration of members consists of sitting fees and superannuation contributions.

West Beach Trust

3.3 Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	7,709	7,156
Long service leave	204	126
Annual leave	535	445
Skills and experience retention leave	14	6
Employment on-costs - superannuation *	917	787
Board and committee fees	90	94
Payroll tax	431	388
Workers compensation	179	132
Other employee related expenses	29	24
Total employee benefits expenses	10,108	9,158

Employment on-costs - superannuation

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

Employee Remuneration

	2024	2023
	No	No
The number of employees whose remuneration received falls within the following bands:		
\$166 001 to \$186 000	1	2
\$186 001 to \$206 000	2	-
\$266 001 to \$286 000	1	1
Total number of employees	4	3

The total remuneration received by these employees for the year was \$840,000 (\$642,000). 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.

West Beach Trust

3.4 Employee related liabilities

	2024 \$'000	2023 \$'000
Current		
Accrued salaries and wages	224	187
Annual leave	372	318
Long service leave	95	103
Skills and experience retention leave	24	18
Employment on costs	126	106
Total current employee related liabilities	841	732
Non-current		
Long service leave	739	583
Employment on costs	85	66
Total non-current employee related liabilities	824	649
Total employee benefits	1,665	1,381

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

Salaries and Wages, Annual Leave, Skills and Experience Retention Leave (SERL) and Sick Leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the Skills and Experience Retention Leave liability in full 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 for sick leave.

Long Service Leave

Details about the measurement of long service leave liability are provided in note 10.1.

West Beach Trust

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.

The Trust 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 (43%) to 44% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2023 rate (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 the employment on-cost of \$4,000. The impact on future periods is impracticable to estimate.

West Beach Trust

4. Expenses

Employee related expenses are disclosed in note 3.3.

4.1 Supplies and services

	2024 \$'000	2023 \$'000
Bank fees and charges	145	169
Commissions payable	174	211
Consultants	225	202
Contractors	493	518
Cost of sales	662	464
Furnishings (low value)	280	128
Human resources and recruitment	139	166
Information technology expenses	447	347
Insurance	284	267
Legal costs	60	55
Marketing and public relations	556	739
Motor vehicle expenses	82	85
Short term leases	9	7
Plant and electrical appliances (low value)	78	32
Postage and telephone	71	85
Repairs and maintenance	1,357	1,969
Security	380	311
Staff training and development	87	88
Utilities	1,580	1,464
Waste and recycling	248	203
Other supplies and services	735	590
Total supplies and services	8,092	8,100

Insurance

The Trust has arranged, through SAFA Insurance to insure all of its major risks. The excess payable under this arrangement varies depending on each class of insurance held.

4.2 Expenditure - SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	10,936	90%
Total expenditure with non-South Australian businesses	1,267	10%
	12,203	100%

West Beach Trust

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Trust, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

West Beach Trust

4.3 Depreciation and amortisation

The depreciation expenses for property, plant and equipment are presented in Note 5.1. The amortisation expenses for intangible assets are presented in Note 5.4.

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.

Useful Life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and improvements	1 to 100
Plant and equipment	1 to 30
Right-of-use land	15
Right-of-use plant and equipment	5
Intangibles	3 to 10

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

The Trust revalued its buildings and improvements upward at 30 June 2024. Future depreciation expense will increase by approximately \$516,000 as a result.

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4.4 Borrowing costs

	2024	2023
	\$'000	\$'000
Interest expense on borrowings measured at amortised cost	268	179
Guarantee fees expense on borrowings measured at amortised cost	108	88
Interest expense on lease liabilities	36	29
Total borrowing costs	412	296

The Trust does not capitalise borrowing costs.

4.5 Other expenses

	2024	2023
	\$'000	\$'000
Audit fees	60	57
Bad debts and allowances for doubtful debts	15	1
Expensing of items previously classified as work in progress	27	195
Federal land tax equivalent	30	37
Intangibles write-offs	-	9
Property, plant and equipment write-offs	11	50
Rental write-back	36	-
Stamp duty	34	32
State land tax	498	437
Total other expenses	711	818

Audit fees

The audit fees were paid / payable to the Auditor-General's Department in relation to the work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

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5. Non-financial assets

5.1 Property, plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	Land \$'000	Buildings and improvements \$'000	Plant and equipment \$'000	Work in progress \$'000	Right-of-use - Land \$'000	Right-of-use - Plant & Equipment \$'000	Total \$'000
Gross carrying amount	76,514	105,060	9,222	757	969	234	192,756
Accumulated Depreciation	-	(44,738)	(6,062)	-	(323)	(51)	(51,174)
Carrying amount	76,514	60,322	3,160	757	646	183	141,582
Reconciliation 2023-2024							
Carrying amount at the beginning of the period	54,909	34,170	3,112	2,733	710	174	95,808
Acquisitions	-	3,818	961	3,671	-	57	8,507
Transfers from Work in progress	-	2,680	26	(2,706)	-	-	-
Transfers to another agency	-	-	-	(2,914)	-	-	(2,914)
Transfers between asset classes	-	66	(78)	-	-	-	(12)
Disposals eg sales, write offs	-	(11)	(18)	(27)	-	-	(56)
Revaluation inc/(dec)	21,605	22,004	-	-	-	-	43,609
Depreciation	-	(2,405)	(843)	-	(64)	(48)	(3,360)
Carrying amount at the end of the period	76,514	60,322	3,160	757	646	183	141,582
Reconciliation 2022-2023							
Carrying amount at the beginning of the period	54,909	34,204	3,011	410	776	232	93,542
Acquisitions	-	2,105	785	2,699	-	178	5,767
Transfers from Work in progress	-	158	8	(181)	-	-	(15)
Transfers between asset classes	-	-	147	-	-	(147)	-
Disposals eg sales, write offs	-	(70)	(54)	(195)	-	-	(319)
Revaluation inc/(dec)	-	-	-	-	-	-	-
Depreciation	-	(2,227)	(785)	-	(66)	(89)	(3,167)
Carrying amount at the end of the period	54,909	34,170	3,112	2,733	710	174	95,808

5.2 Property, plant and equipment owned by the Trust

Property, plant and equipment owned by the Trust with a value equal to or in excess of \$1,000 is capitalised.

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Plant and equipment includes operating machinery and vehicles that are fully depreciated but still in use. These have an estimated gross carrying value of approximately \$1,133,000. Examples of these include turf maintenance machinery, maintenance vans and housekeeping buggies.

Impairment

The Trust holds its property, plant and equipment for their service potential. There were no indications of impairment of property, plant and equipment assets as at 30 June 2024.

5.3 Property, plant and equipment leased by the Trust

Property, plant and equipment leased by the Trust is recorded at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Trust has a limited number of leases:

- a parcel of land, in accordance with a lease that commenced on 9 July 2014 and expires on 30 June 2034. The right-of-use asset is being depreciated over a useful life of 15 years which is consistent with the remaining term of this lease from the initial recognition in accordance with *AASB 16 Leases* on 1 July 2019.
- trackman golf driving range equipment and hardware, in accordance with an agreement that requires 60 monthly rental payments commencing 1 June 2023 and expiring 30 May 2028. At the end of the lease term the Trust will take ownership of the trackman golf driving range equipment and hardware. The right-of-use asset has been assessed as having a 5 year useful life for depreciation expense purposes.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The Trust's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.3 and 4.4. Cash outflows related to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by the Trust have been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of computer software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of the expenditure is equal to or in excess of \$1,000.

	Purchased computer software	Total
	\$'000	\$'000
Gross carrying amount	934	934
Accumulated Depreciation	(755)	(755)
Carrying amount	179	179

Reconciliation 2023-2024

Carrying amount at the beginning of the period	132	132
Acquisitions	78	78
Transfers between asset classes	12	12
Disposals eg sales, write offs	-	-
Amortisation	(43)	(43)
Carrying amount at the end of the period	179	179

Reconciliation 2022-2023

Carrying amount at the beginning of the period	79	79
Acquisitions	78	78
Transfers from Work in progress	15	15
Disposals eg sales, write offs	(9)	(9)
Amortisation	(31)	(31)
Carrying amount at the end of the period	132	132

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5.5 Inventories

	2024	2023
	\$'000	\$'000
<u>Current - held for distribution at no or nominal amount</u>		
Materials at cost	6	8
Total current inventories held for distribution at no or nominal amount	6	8
<u>Current - held for sale</u>		
Goods at cost	114	89
Total current other inventories - held for sale	114	89
Total inventories	120	97

Inventories held for distribution, at no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Cost of inventories

The cost recognised as an expense for materials and goods for resale is \$662,000. There was a net increase in inventories for the period of \$23,000.

West Beach Trust

6. Financial assets

6.1 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank or on hand	414	272
Short-term deposits with SAFA	402	1,614
Total cash and cash equivalents	816	1,886

Cash is measured at nominal amounts. There are no restrictions over any of the Trust's cash balances.

Cash at bank or on hand

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate, based on daily bank deposit rates.

Short-term deposits

Short term deposits are lodged on an at call basis through the SAFA Cash Management Facility. These funds, which are guaranteed by the Treasurer, earn an interest rate which is aligned to the RBA official cash rate plus a margin determined by SAFA.

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6.2 Receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual receivables		
From government entities	988	333
From non-government entities	139	29
Less allowance for impairment loss on contractual receivables	-	-
Total contractual receivables	1,127	362
Statutory receivables		
GST receivable	-	158
Total statutory receivables	-	158
Prepayments	97	133
Total current receivables	1,224	653

Contractual receivables are raised for all goods and services provided for which payment has not been received. Contractual receivables are normally settled within 30 days. No amounts within receivables are expected to be recovered more than 12 months after reporting date.

Other than as recognised in the allowance for impairment on contractual receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 10.3 for further information on risk management.

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

As at 30 June 2023, there was a net amount of GST recoverable from the ATO that is included as part of receivables. As at 30 June 2024, there was a net amount of GST payable to the ATO which is included as part of payables included in Note 7.1.

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

Allowance for impairment loss on contractual receivables

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Increase in allowance recognised in the profit or loss	15	1
Amounts written off	(15)	(1)
Carrying amount at the end of the period	-	-

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

	30/06/2024	1/07/2023
	\$'000	\$'000
Contract receivables	1,127	362
Receivables from contracts with customers, included in 'Receivables'	1,127	362

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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1 Payables

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Contractual payables	947	1,586
Accrued expenses	1,234	528
<u>Statutory payables</u>		
GST payable	219	-
Total statutory payables	219	-
Total payables	2,400	2,114

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables approximates the net fair value due to the amounts being payable on demand.

The net amount of GST payable to the ATO is included as part of payables. As at 30 June 2023, there was a net amount receivable from the ATO included in note 6.2.

7.2 Contract liabilities

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Contract liabilities	1,798	2,004
Total Contract liabilities	1,798	2,004

Contract liabilities relate to monies received in advance for goods and services, for which revenue is recognised when the good and services are provided. It includes accommodation tariff deposits and booking payments, annual golf membership playing rights and annual boat launch permit fees collected in advance. The advance portion of any payment of lease and licence fees for use of parcels of land and buildings across the precinct is also included.

	30/06/2024	1/07/2023
	\$'000	\$'000
Contract liabilities		
Liabilities from contracts with customers and tenants, included in 'Payables'	1,798	2,004

Contract liabilities as at the 30 June 2024 have decreased relative to the previous balance date due to the timing of Westward Ho Golf Course member playing rights contributions.

It has been assessed that any advance payments for goods, services, leases and licences being received beyond one year would be minimal. On this basis, it is appropriate to classify the entire amount as a current liability and assume that revenue totalling \$2,004,000 was recognised in 2023-24 that was included in contract liabilities as at 30 June 2023.

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7.3 Financial liabilities

	2024	2023
	\$'000	\$'000
Current		
Borrowings from SA Government	439	354
Lease liabilities	112	91
Total current borrowings	551	445
Non-current		
Borrowings from SA Government	7,685	6,575
Lease liabilities	812	878
Lessee security deposits	25	25
Total non-current borrowings	8,522	7,478
Total borrowings	9,073	7,923

The Trust measures financial liabilities including borrowings/debt at amortised cost. All interest bearing liabilities have been sourced from the SA Government Financing Authority.

All material cash outflows are reflected in the lease liabilities disclosed above.

Borrowings from SA Government

These are unsecured loans which do bear interest. The terms of the loan were approved by Treasurer at the time the loan were provided.

The Trust has a \$8,124,000 (2022-23 \$6,929,000) loan facility with the South Australian Government Financing Authority. At the time of preparing the Financial Statements, the Trust still has \$1.5m in loan funding to drawdown on the \$2m loan that was approved by the Treasurer in February 2022 to part fund the replacement of the Saltbush Shacks at the West Beach Parks Retreat.

The Trust has a \$2,500,000 (2022-23 \$2,500,000) working capital facility with the South Australian Government Financing Authority. As at 30 June 2024 there were no drawings on this facility (2022-23 \$Nil).

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8. Other disclosures

8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are not transferred to retained earnings when an asset is derecognised.

8.2 Cash flow

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.

Total cash outflows for leases was \$136,000 (2023: \$305,000).

	2024	2023
	\$'000	\$'000
<u>Reconciliation of net cash provided by operating activities to Profit (loss) after income tax equivalents</u>		
Net cash provided by operating activities	3,726	3,924
<u>Add/less non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(3,403)	(3,198)
Gain/loss on sale or disposal of non-current assets	-	37
Expensing of items previously classified as work in progress	(27)	(195)
Intangibles write-offs	-	(9)
Property, plant and equipment write-offs	(11)	(50)
<u>Movement in assets and liabilities</u>		
Increase/(decrease) in receivables	729	289
Increase/(decrease) in inventories	23	18
(Increase)/decrease in payables	(774)	(216)
(Increase)/decrease in contract liabilities	206	(121)
(Increase)/decrease in employee benefits	(247)	(53)
Profit (loss) after income tax equivalents	222	426

West Beach Trust

9. Outlook

9.1 Unrecognised contractual commitments

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

Capital commitments

	2024 \$'000	2023 \$'000
Within one year	1,876	3,075
Total capital commitments	1,876	3,075

The Trust has five major capital commitments as at the reporting date. These relate to the construction of new Cabins at the Holiday Park, entry statement signage on Africaine Road and playground equipment associated with a new all-access community facility called The Square at West Beach Parks. Capital commitments relating to the construction of the SAPOL Road Safety Centre are also included in the total above.

The prior year capital commitments related to the construction of new Cabins at West Beach Parks Retreat, infrastructure and landscaping works at the entrance to Barrett Reserve and the new adventure play space at BIG 4 West Beach Parks. These work was completed during 2023-24.

Operating leases receivable

	2024 \$'000	2023 \$'000
<u>Commitments in relation to operating lease income contracted for at the reporting date but not recognised as assets are receivable as follows:</u>		
Within one year	863	805
Later than one year but not longer than five years	2,430	2,466
Later than five years	6,369	6,344
Total operating leases receivable	9,662	9,615

The above table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

All operating leases receivable are from entities external to the SA government, and are for parcels of land and buildings leased to various sporting organisations and commercial operators.

Rental revenue from operating leases is included in Note 2.1.

9.2 Contingent assets and liabilities

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

The Trust is not aware of any contingent assets and liabilities.

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9.3 Impacts of standards and statements not yet effective

Australian Accounting Standards and Interpretations issued but not yet effective have not been adopted by the Trust for the reporting period ending 30 June 2024.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities will apply to the Trust's 2024-25 financial report.

The Trust has commenced assessing the impact of this standard but has not quantified the impact at this point in time.

9.4 Events after the reporting period

The Trust is not aware of any events after the end of the reporting period that will have a material financial impact.

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10. Measurement and risk

10.1 Long service leave liability – measurement

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 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 used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4%) to 2024 (4.25%). This increase in the bond yield results in a increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance increased the salary inflation rate from 2023 (2.5%) to 2024 (3.5%) for long service leave liability. This increase in the salary inflation rate results in a increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$41,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The portion of estimated long service leave that is classified as current is based on an assessment of the pattern of leave taken or paid out over the last 10 years.

10.2 Fair value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The current policy of the Trust is that land, buildings and improvements will be revalued by an external professionally qualified valuer every 5 years. A valuation was undertaken as at 30 June 2024 in line with this policy. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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Fair value hierarchy

The Trust classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Trust's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

All property, plant and equipment of the Trust are categorised in Level 3.

Land and buildings and improvements

An independent valuation of land, buildings and improvements as at 30 June 2024 was undertaken by a Certified Practising Valuer from Public Private Property Pty Ltd following comprehensive site inspections undertaken in the period March to April 2024.

Fair value of land has been determined using the market approach by reference to the best available market transactions, noting however the unique characteristics of the subject land requiring the making of adjustments to take account of restrictions in use and other factors (statutory restrictions, special zoning, and reclaimed land).

The fair value of buildings was determined using the cost approach due to the lack of an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition, and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from [building costs guides / internal records such as recent tender documents, construction invoices etc.] and the estimated useful life due to age and condition of the building.

Plant and equipment

Plant and equipment acquisitions have been recognised at cost. The carrying value of plant and equipment is deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

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10.3 Financial Instruments

Financial risk management

Risk is managed by the application of the West Beach Trust Risk Management Framework.

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

Liquidity risk

Liquidity risk arises where the Trust is unable to meet its financial obligations as they are due to be settled. The Board, Executive and Senior Management are responsible for monitoring and ensuring its operations are prudently maintained. Liquidity is managed on a daily basis and monthly reports are submitted to the Board, Executive and Senior Management and the Department of Treasury and Finance. The Trust generally settles undisputed accounts within 30 days from the date of invoice or the date the invoice is first received. In the event of a dispute, payment is generally made 30 days from resolution.

An assessment of liquidity risk has been undertaken by the Chief Executive Officer and General Manager Corporate Services and based on past experience and knowledge of seasonal trends, management is confident that the Trust will be able to meet its financial obligations as and when they fall due. Cash flow updates are included in the Trust's Board papers provided to Board members monthly.

Refer to notes 7.1 and 7.3 for further information.

Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The Trust has minimal concentration of credit risk. The Trust has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Trust does not engage in high risk hedging for its financial assets.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Trust uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Trust is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

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Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Trust and a failure to make contractual payments within a reasonable time frame.

There were no receivables written off during the year that are still subject to enforcement activity.

The Trust considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Trust does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Trust does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The Trust's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a regular basis. There is no exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

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Classification of financial instruments

The Trust measures all financial instruments at amortised cost.

	2024 Carrying amount/Fair value \$'000	2024 Contractual maturities		
		Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and equivalent				
Cash and cash equivalent	816	816	-	-
Financial assets at amortised cost				
Receivables	1,127	1,127	-	-
Total financial assets	1,943	1,943	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	2,190	2,190	-	-
Contract liabilities	1,798	1,798	-	-
Borrowings	8,124	441	1,860	5,823
Lease liabilities	924	137	495	450
Other financial liabilities	25	-	25	-
Total financial liabilities	13,061	4,566	2,380	6,273
	2023 Carrying amount/Fair value \$'000	2023 Contractual maturities		
		Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and equivalent				
Cash and cash equivalent	1,886	1,886	-	-
Financial assets at amortised cost				
Receivables	362	362	-	-
Total financial assets	2,248	2,248	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	2,114	2,114	-	-
Contract liabilities	2,004	2,004	-	-
Borrowings	6,929	355	1,540	5,034
Lease liabilities	969	118	474	503
Other financial liabilities	25	-	-	25
Total financial liabilities	12,041	4,591	2,014	5,562

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth and State taxes, fees and charges). 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 levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts are carried at cost.

The receivables amount 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.