

FINANCIAL REPORT

THE SHRINE OF REMEMBRANCE  
TRUSTEES HAVE PLEASURE IN PRESENTING  
ITS AUDITED GENERAL-PURPOSE  
FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2023







# FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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## HOW THIS REPORT IS STRUCTURED

The Shrine of Remembrance Trustees has pleasure in presenting its audited general-purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about the Trustees's stewardship of resources entrusted to it.

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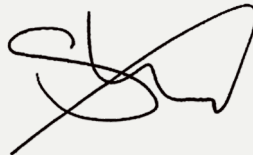
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# FINANCIAL MANAGEMENT ATTESTATION

SHRINE OF REMEMBRANCE TRUSTEES  
FINANCIAL MANAGEMENT  
COMPLIANCE ATTESTATION STATEMENT

I Stephen Bowater, on behalf of the Shrine of Remembrance Trustees, certify that the Shrine of Remembrance Trustees has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Captain Stephen Bowater OAM RAN  
CHAIR

11 OCTOBER 2023

## DECLARATION IN THE FINANCIAL STATEMENTS

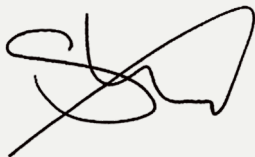
We certify that the attached consolidated Financial Statements for the Shrine of Remembrance Trustees have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act* 1994, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents

fairly the financial transactions during the year ended 30 June 2023 and the consolidated financial position of the Shrine of Remembrance Trustees at 30 June 2023.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 11 October 2023.



Captain Stephen Bowater OAM RAN  
CHAIR

11 OCTOBER 2023



Dean M Lee  
CHIEF EXECUTIVE OFFICER

11 OCTOBER 2023



Greg Gilmour CA  
CHIEF FINANCE OFFICER

11 OCTOBER 2023

# INDEPENDENT AUDITOR'S REPORT



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Trustees of Shrine of Remembrance Trustees

<b>Opinion</b>	<p>I have audited the consolidated financial report of Shrine of Remembrance Trustees (The Shrine) and its controlled entity (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>• consolidated entity balance sheet as at 30 June 2023</li> <li>• consolidated entity comprehensive operating statement for the year then ended</li> <li>• consolidated entity statement of changes in equity for the year then ended</li> <li>• consolidated entity cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2023 and the consolidated entity's financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Shrine and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other information</b>	<p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Trustees' responsibilities for the financial report</b>	<p>The Trustees of the Shrine are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Trustees determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trustees are responsible for assessing the Shrine's and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

## INDEPENDENT AUDITOR'S REPORT

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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the 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 Shrine's and consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- conclude on the appropriateness of the Trustees' 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 Shrine's and the consolidated 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Shrine and consolidated 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.

I communicate with the Trustees regarding, 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 my audit.

MELBOURNE  
20 October 2023



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*



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## COMPREHENSIVE CONSOLIDATED OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTES	2023 \$	2022 \$
<b>Continuing operations</b>			
<b>Revenue and income from transactions</b>			
Grants	2.2	6,633,612	5,384,993
Donations	2.3	460,585	114,875
Operating activities income	2.4	649,868	234,955
Investment income	2.5	235,364	147,005
Other income	2.6	26,451	25,826
<b>Total revenue and income from transactions</b>		<b>8,005,880</b>	<b>5,907,654</b>
<b>EXPENSES FROM TRANSACTIONS</b>			
Employee expenses	3.1	3,960,257	3,198,149
Depreciation and amortisation	4.1.2	3,803,290	4,061,107
Repairs and maintenance		1,466,612	564,094
Other operating expenses	3.2	2,127,717	1,555,054
<b>Total expenses from transactions</b>		<b>11,357,876</b>	<b>9,378,404</b>
<b>Net result from transactions (net operating balance)</b>		<b>(3,351,996)</b>	<b>(3,470,750)</b>
<b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>			
Other gains/(losses) from other economic flows	8.9	7,183	35,197
Changes to the fair value of investments measured at fair value through net result	8.9	73,053	(321,286)
<b>Total other economic flows included in net result</b>		<b>80,236</b>	<b>(286,089)</b>
<b>Net result for the year</b>		<b>(3,271,760)</b>	<b>(3,756,839)</b>
<b>OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME: ITEMS THAT WILL NOT BE CLASSIFIED TO NET RESULT</b>			
Changes in physical asset revaluation surplus	8.2	-	34,486,980
<b>Comprehensive result</b>		<b>(3,271,760)</b>	<b>30,730,141</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

	NOTES	2023 \$	2022 \$
<b>Assets</b>			
<b>FINANCIAL ASSETS</b>			
Cash and deposits	6.1	2,993,705	2,884,785
Receivables	5.1	116,970	244,690
Investments and other financial assets	4.3	2,202,259	2,129,206
<b>Total financial assets</b>		<b>5,312,935</b>	<b>5,258,681</b>
<b>NON-FINANCIAL ASSETS</b>			
Inventories	5.3	52,565	71,927
Property, plant and equipment	4.1	321,311,231	323,944,592
Intangible assets	4.2	-	-
<b>Total non-financial assets</b>		<b>321,363,796</b>	<b>324,016,519</b>
<b>Total assets</b>		<b>326,676,730</b>	<b>329,275,200</b>
<b>LIABILITIES</b>			
Payables	5.2	671,396	850,034
Unearned revenue	5.2	3,398,135	2,616,968
Employee related provisions	3.1.2	636,157	565,396
<b>Total liabilities</b>		<b>4,705,688</b>	<b>4,032,398</b>
<b>Net Assets</b>		<b>321,971,042</b>	<b>325,242,802</b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)		(24,372,946)	(21,101,186)
Physical asset revaluation surplus	8.2	246,904,230	246,904,230
Contributed capital		99,439,758	99,439,758
<b>Net worth</b>		<b>321,971,042</b>	<b>325,242,802</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTES	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
<b>RECEIPTS</b>			
Receipts from government		7,597,622	7,771,875
Donations received		399,085	114,875
Distributions and interest received		317,741	161,005
Other receipts		741,306	325,802
Goods & services tax received from the Australian Taxation Office		358,920	160,462
<b>Total receipts</b>		<b>9,414,674</b>	<b>8,534,019</b>
<b>PAYMENTS</b>			
Payments to suppliers		(4,060,383)	(2,372,534)
Payments to employees		(3,851,748)	(3,030,221)
<b>Total payments</b>		<b>(7,912,131)</b>	<b>(5,402,755)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>6.1.1</b>	<b>1,502,543</b>	<b>3,131,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of non-financial assets		(1,393,623)	(891,515)
<b>Net cash flows used in investing activities</b>		<b>(1,393,623)</b>	<b>(891,515)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>108,920</b>	<b>2,239,749</b>
Cash and cash equivalents at beginning of financial year		2,884,785	645,036
<b>Cash and cash equivalents at end of financial year</b>	<b>6.1</b>	<b>2,993,705</b>	<b>2,884,785</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	TOTAL EQUITY		ACCUMULATED SURPLUS		PHYSICAL ASSET REVALUATION SURPLUS		CONTRIBUTED CAPITAL	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Balance at beginning of the financial year	325,242,802	294,512,661	(21,101,186)	(17,344,347)	246,904,230	212,417,250	99,439,758	99,439,758
Net result for the year	(3,271,760)	(3,756,839)	(3,271,760)	(3,756,839)	-	-	-	-
Revaluation	-	34,486,980	-	-	-	34,486,980	-	-
Balance at end of the financial year	321,971,042	325,242,802	(24,372,946)	(21,101,186)	246,904,230	246,904,230	99,439,758	99,439,758

The accompanying notes form part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

## 1 ABOUT THIS REPORT

The Shrine of Remembrance Trustees (the Trustees) is a government agency of the State of Victoria, established under the *Shrine of Remembrance Act 1978*. Its principal address is 2-42 Domain Road, Melbourne Victoria 3004.

A description of the nature of its operations and its principal activities is included in the 'Report of Operations' which does not form part of these financial statements.

### BASIS OF PREPARATION

These financial statements have been prepared in Australian dollars on a going concern basis. The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates are disclosed under the notes under the heading 'Significant judgements or estimates'.

These financial statements are prepared in accordance with the historical cost convention except for the revaluation of certain non-financial assets and financial instruments as noted. Cost is based on the fair values of the consideration given in exchange for assets.

The consolidated financial statements of the Shrine of Remembrance Trustees incorporate the entity controlled by the Trustees as at 30 June 2023 and the income and expenses for that part of the reporting period in which control existed. The entity over which the Shrine of Remembrance Trustees has control is the Shrine of Remembrance Foundation. In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

### KEY JUDGEMENTS/ESTIMATES

#### Identifying performance obligations

The Trustees apply significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine contracts to determine whether they contain sufficiently specific and enforceable performance obligations.

If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring the Trustees to recognise revenue as or when the promised goods or services are transferred to the beneficiaries. If this criteria is not met, funding is recognised immediately in the net result from operations.

#### Determining timing of revenue recognition

The Trustees apply significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.

#### Measuring contract liabilities

The Trustees apply significant judgement to measure progress towards satisfying a performance obligation as detailed above. Where a performance obligation is yet to be satisfied, the Trustees assign funds to the outstanding obligation and record this as a contract liability until the promised good or service is transferred to the customer.

#### Classifying employee benefit liabilities

The Trustees apply significant judgment when classifying employee benefit liabilities.

Employee benefit liabilities are classified as a current liability if the Trustees do not have an unconditional right to defer payment beyond 12 months. Annual leave and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.

# NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

## 1 ABOUT THIS REPORT (CONT'D)

Employee benefit liabilities are classified as a non-current liability if the Trustees has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.

### Measuring employee benefit liabilities

The Trustees apply significant judgment when measuring employee benefit liabilities and in determining when employee entitlements are expected to be paid.

With reference to historical data, if the Trustees do not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. Long service leave entitlements fall into this category.

All other entitlements are measured at their nominal value.

### Estimating useful life of property, plant and equipment

The Trustees assign an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The Trustees review the useful life and depreciation rates of all assets each financial year and where necessary, records a change in accounting estimate.

### Identifying indicators of impairment

At the end of each year, the Trustees assess impairment by evaluating the conditions and events that may be indicative of impairment triggers. Where an indication exists, the asset is tested for impairment.

The trustees consider a range of information when performing the assessment, including considering:

- if an asset's value has declined more than expected based on normal use,
- if a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset,
- if an asset is obsolete or damaged,
- if the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life,
- if the performance of the asset is or will be worse than initially expected.

Where an impairment trigger exists, the Trustees apply significant judgement and estimate to determine the recoverable amount of the asset.

### COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.



## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 2 FUNDING DELIVERY OF OUR SERVICES

#### INTRODUCTION

The Trustees have the following overarching functions:

**One** — Responsibility for the care, management, maintenance and preservation of the Shrine of Remembrance;

**Two** — Development, promotion, management and the staging of ceremonial activities and events to commemorate the service and sacrifice of Victorians and Australians in war, conflict, peacekeeping and peacemaking; and

**Three** — Development, promotion, management and implementation of public programs to inform, educate and promote understanding among Victorians and visitors about the history, experience, service and sacrifice of Victorians and Australians in war, conflict, peacekeeping and peacemaking.

**Four** — To enable the Trustees to fulfil their objectives and provide outputs, it receives grant funding from the Victorian Government. The Trustees also receive donations, sponsorships, investment income and revenue from merchandise sales and fee for service activities.

#### STRUCTURE

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Grants
- 2.3 Donations
- 2.4 Operating activities income
- 2.5 Investment income
- 2.6 Other income

2.1 SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES	NOTES	2023 \$	2022 \$
Grants	2.2	6,633,612	5,384,993
Donations	2.3	460,585	114,875
Operating activities income	2.4	649,868	234,955
Investment income	2.5	235,364	147,005
Other income	2.6	26,451	25,826
<b>Total income from transactions</b>		<b>8,005,880</b>	<b>5,907,654</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 2 FUNDING DELIVERY OF OUR SERVICES (CONT'D)

2.2 GRANTS	NOTES	2023 \$	2022 \$
City of Melbourne		367,337	346,218
Department of Environment, Land, Water & Planning		1,056,000	1,038,000
Department of Families, Fairness and Housing – Operating		3,376,275	2,988,656
Department of Families, Fairness and Housing – Capital		1,760,000	990,000
Department of Veterans' Affairs		74,000	14,541
Other		–	7,578
<b>Total Income from grants</b>		<b>6,633,612</b>	<b>5,384,993</b>

#### 2.2.1 GRANTS REVENUE RECOGNITION

The Trustees have determined that all grant income is recognised as income in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

During the year, grant revenue of \$2,650,000 (2022: \$3,300,000) was received from the State Government for the provision of capital works at the Shrine of Remembrance. As at 30 June 2023 \$1,760,000 (2022: \$990,000) was recognised as revenue with the balance of \$3,200,000 (2022: \$2,310,000) shown as deferred revenue due to specific performance obligations yet to be completed.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers. These grants relate to the provision of commemorative and exhibition services. Revenue is recognised when the Trustees satisfy the performance obligation by providing the relevant services to the relevant departments. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly

after the relevant obligation is satisfied.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Trustees have an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Trustees recognise any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- (a) Contributions by owners, in accordance with AASB 1004;
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- (c) a lease liability in accordance with AASB 16;
- (d) a financial instrument, in accordance with AASB 9; or
- (e) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 2 FUNDING DELIVERY OF OUR SERVICES (CONT'D)

2.3 DONATIONS	2023 \$	2022 \$
Collection Boxes	75,025	27,265
Schools	15,708	-
Retail	7,676	7,843
Sponsorships	20,000	30,000
Bequests	233,559	-
Donations to Shrine of Remembrance Foundation	108,617	46,147
Other donations	-	3,620
<b>Total income from donations and sponsorships</b>	<b>460,585</b>	<b>114,875</b>

#### 2.3.1 DONATIONS

Donations are recognised as revenue when control over the assets comprising those revenues is obtained. Control is normally obtained upon receipt or upon prior confirmation that the asset has been secured.

#### 2.3.2 DONATED CULTURAL ASSETS

Donated cultural assets are recognised when the gift is accepted by the Shrine of Remembrance and control of the contribution or right to receive the contribution exists. Works donated under the Cultural Gifts Program are recorded at fair value which is determined by independent valuations.

#### 2.3.3 SPONSORSHIPS

Sponsorships are recognised as revenue when the amount of the revenue can be reliably measured, and it is probable that the economic benefits associated with the transaction would flow to the Trustees.

2.4 OPERATING ACTIVITIES INCOME	2023 \$	2022 \$
Merchandise sales	562,056	200,714
Shrine tours	56,024	17,347
Photography fees	2,250	4,455
Venue hire	29,538	12,439
<b>Total income from sale of goods and services</b>	<b>649,868</b>	<b>234,955</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 2 FUNDING DELIVERY OF OUR SERVICES (CONT'D)

#### 2.4.1 OPERATING ACTIVITIES INCOME RECOGNITION

Revenue from the sale of goods is recognised when:

- The trustees no longer have any of the significant risks and rewards of ownership of the goods transferred;
- the Trustees no longer have continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of revenue, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction would flow to the Trustees.

Revenue from the supply of services is recognised by reference to the stage of completion of the services performed. The income is recognised when:

- The amount of the revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction would flow to the Trustees.

#### 2.5 INVESTMENT INCOME

	2023 \$	2022 \$
Interest on bank deposits	169,142	13,688
Distributions from Victorian Funds Management Corporation	53,524	127,866
Refund of franking credits	12,698	5,451
<b>Total investment income</b>	<b>235,364</b>	<b>147,005</b>

#### 2.5.1 INVESTMENT INCOME RECOGNITION

Interest income includes interest received on bank deposits, which is recognised on receipt. Distributions are recognised when the right to receive payment is established. Franking credits are recognised on receipt from the Australian Taxation Office.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions but are reported as part of income from other economic flows included in the net result.

#### 2.6 OTHER INCOME

	2023 \$	2022 \$
Friends of the Shrine	13,060	16,587
Reimbursements	890	9,062
Other	12,501	177
<b>Total other income</b>	<b>26,451</b>	<b>25,826</b>

#### 2.6.1 OTHER INCOME RECOGNITION

Friends of the Shrine memberships and reimbursements are recognised on receipt.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 3 THE COST OF DELIVERING OUR SERVICES

#### INTRODUCTION

This section provides an account of the expenses incurred by the Trustees in delivering services and outputs.

#### STRUCTURE

- 3.1 Expenses incurred in delivering our services
- 3.2 Other operating expenses

3.1 EXPENSES INCURRED IN DELIVERING OUR SERVICES	NOTES	2023 \$	2022 \$
Employee benefits	3.1.1	3,960,257	3,198,149
Depreciation & amortisation	4.1.2	3,803,290	4,061,107
Repairs and maintenance		1,466,612	564,094
Other expenses	3.2	2,127,717	1,555,054
<b>Total expenses incurred in delivery of services</b>		<b>11,357,876</b>	<b>9,378,404</b>

#### 3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

Salaries	3,289,575	2,612,537
Superannuation	349,762	271,120
Workcover	30,899	22,066
Annual leave expense	186,105	173,275
Long service leave expense	103,916	119,151
<b>Total employee expenses</b>	<b>3,960,257</b>	<b>3,198,149</b>

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, termination payments, superannuation contributions and WorkCover premiums. These are recognised when incurred.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 3 THE COST OF DELIVERING OUR SERVICES (CONT'D)

#### 3.1.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave (LSL) for services rendered up to the reporting date and recorded as an expense during the period the services are delivered. The increase in total leave provisions over the year is due to a combination of increased accrued annual leave for all staff, increased number of staff with unconditional LSL entitlements, increase in superannuation guarantee rate and expected wage inflation rate of 4.35% as advised by the Department of Treasury and Finance.

CURRENT PROVISIONS	2023 \$	2022 \$
<b>Annual Leave</b>		
Unconditional and expected to settle within 12 months	185,930	189,179
Unconditional and expected to settle after 12 months	-	-
<b>Long Service Leave</b>		
Unconditional and expected to settle within 12 months	38,682	39,125
Unconditional and expected to settle after 12 months	282,670	157,351
<b>On-costs</b>		
Unconditional and expected to settle within 12 months	48,681	24,789
Unconditional and expected to settle after 12 months	33,634	18,029
<b>Total current provisions for employee benefits</b>	<b>589,597</b>	<b>428,473</b>
<b>NON-CURRENT PROVISIONS</b>		
Long Service Leave	41,609	122,847
On-costs	4,951	14,076
<b>Total non-current provisions for employee benefits</b>	<b>46,560</b>	<b>136,923</b>
<b>Total employee related provisions</b>	<b>636,157</b>	<b>565,396</b>
<b>RECONCILIATION OF MOVEMENT IN PROVISIONS</b>		
<b>Annual Leave</b>		
Opening balance	210,680	228,209
Additional provisions	310,942	186,505
Amounts used	(291,614)	(204,034)
<b>Closing balance</b>	<b>230,008</b>	<b>210,680</b>
<b>Long Service Leave</b>		
Opening balance	354,716	281,353
Additional provisions	88,164	88,658
Amounts used	(36,731)	(15,295)
<b>Closing balance</b>	<b>406,149</b>	<b>354,716</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 3 THE COST OF DELIVERING OUR SERVICES (CONT'D)

#### WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits annual leave and accumulating sick leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period are measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Employment on-costs such as workers' compensation and superannuation are not employee benefits. They are disclosed as a component of the provision for employee benefits where the employment to which they relate has occurred.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Trustees does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value — if the Shrine expects to wholly settle within 12 months; and
- Present value — if the Shrine does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL Liability is measured at present value.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 3 THE COST OF DELIVERING OUR SERVICES (CONT'D)

#### 3.1.3 SUPERANNUATION

Superannuation contributions for the reporting period are included as part of employee benefits and on-costs in the operating statement of the entity. The name and details of the major employee superannuation funds and contributions made by the entity are as follows:

	2023 \$	2022 \$
Aware / VicSuper	77,613	96,877
Vision Super	8,964	12,103
Australian Super	48,592	38,121
Planet Luck Superannuation Fund	34,350	20,583
Hostplus Superannuation Fund	17,314	14,436
UniSuper	28,200	16,066
Other Funds	134,729	72,934
<b>Total</b>	<b>349,762</b>	<b>271,120</b>

#### 3.2 OTHER OPERATING EXPENSES

	2023 \$	2022 \$
Commemorative services	118,072	123,691
Utilities	207,918	250,133
Facility	345,031	246,046
Marketing	232,761	199,074
Exhibitions & Collections	228,810	149,089
Consulting fees	311,413	127,208
Audit fees – External	40,650	34,000
Audit fees – Internal	36,621	45,667
Valuation fees	3,650	65,720
Legal fees	13,834	23,254
Other operating	146,337	74,428
Office and administration	34,579	27,578
Production	26,991	37,404
Security	8,081	14,339
Volunteers	7,340	8,765
Education	10,909	4,920
Planning	–	16
Loss on disposal of assets	78,971	16,726
Retail cost of sales	275,749	106,996
<b>Total other expenses</b>	<b>2,127,717</b>	<b>1,555,054</b>

#### NOTES

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Expenses from transactions are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are sold.



## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

#### INTRODUCTION

The Trustees control property plant and equipment that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Trustees to be utilised for delivery of services.

#### STRUCTURE

- 4.1 Property, plant and equipment
- 4.2 Intangible assets
- 4.3 Investments and other financial assets

4.1 PROPERTY, PLANT AND EQUIPMENT	2023 \$	2022 \$
Land at fair value	187,186,000	187,186,000
<b>Net carrying amount</b>	<b>187,186,000</b>	<b>187,186,000</b>
Heritage Assets—Building	123,349,430	211,281,597
Less: accumulated depreciation	(3,344,368)	(87,932,167)
<b>Net carrying amount</b>	<b>120,005,062</b>	<b>123,349,430</b>
Heritage Assets—Cultural Assets	9,110,680	9,110,680
Less: accumulated depreciation	-	-
<b>Net carrying amount</b>	<b>9,110,680</b>	<b>9,110,680</b>
Plant and equipment	5,583,171	5,808,040
Less: accumulated depreciation	(3,093,106)	(3,202,902)
<b>Net carrying amount</b>	<b>2,490,065</b>	<b>2,605,138</b>
Furniture and fittings	1,997,946	1,997,946
Less: accumulated depreciation	(1,502,652)	(1,372,963)
<b>Net carrying amount</b>	<b>495,294</b>	<b>624,983</b>
Work in Progress	2,024,129	1,068,361
<b>Net carrying amount</b>	<b>2,024,129</b>	<b>1,068,361</b>
<b>Total net carrying amount</b>	<b>321,311,231</b>	<b>323,944,592</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

## 4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONT'D)

### 4.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Land is recognised initially at cost and subsequently measured at fair value less the community service obligation (CSO).

Heritage Assets—Building is recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

Heritage Assets—Cultural Assets are recognised initially at cost and subsequently measured at fair value. As at 30 June 2023, any accumulated depreciation has been written back in full and all cultural assets valued at fair value in accordance with the independent valuation carried out at 30 June 2023.

Plant & Equipment and Furniture & Fittings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Non-current physical assets measured at fair value are revalued in accordance with FRD 103 *Non-financial physical assets*. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRD's. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Non-financial physical assets such as heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

#### RESTRICTIVE NATURE OF LAND, CULTURAL AND HERITAGE ASSETS

The Trustees hold land, cultural and heritage assets that are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

#### NON-FINANCIAL PHYSICAL ASSETS CONSTRUCTED BY THE TRUSTEES

The cost of constructed non-physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads

#### LAND

Land is valued at its fair value for existing use as the land is subject to a King's Caveat that forbids registration of any transfer or dealing with any part of the land by the entity. The Land is valued using the market approach, which compares the land to recent comparable sales although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with the land.

#### HERITAGE ASSETS—BUILDING

The Shrine of Remembrance building is classified as a Heritage Asset. The depreciated replacement cost is the valuation method used, adjusted for the associated depreciation on a useful life basis.

#### HERITAGE ASSETS—CULTURAL ASSETS

Cultural Assets refers to other war memorial artefacts, structures and collection items, which are valued on a market based direct comparison approach.

#### PLANT, EQUIPMENT, FURNITURE AND FITTINGS

Plant, equipment, furniture and fittings are recorded at fair value. This is normally determined with reference to the asset's depreciated replacement cost.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONT'D)

#### 4.1.1 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

	LAND		HERITAGE ASSETS - SHRINE OF REMEMBRANCE		HERITAGE ASSETS - CULTURAL ASSETS	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Carrying amount at start of year	187,186,000	175,153,650	123,349,430	106,367,405	9,110,680	6,962,722
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluations	-	12,032,350	-	20,215,584	-	2,239,046
Transfers between classes	-	-	-	-	-	7,371
Depreciation	-	-	(3,344,368)	(3,233,559)	-	(98,459)
<b>Net carrying amount at end of the year</b>	<b>187,186,000</b>	<b>187,186,000</b>	<b>120,005,062</b>	<b>123,349,430</b>	<b>9,110,680</b>	<b>9,110,680</b>

#### 4.1.2 DEPRECIATION AND AMORTISATION

CHARGE FOR THE PERIOD	2023 \$	2022 \$
Heritage assets	3,344,368	3,332,018
Plant and equipment	329,233	448,067
Furniture and fittings	129,689	272,127
Intangible assets	-	8,895
<b>Total depreciation and amortisation</b>	<b>3,803,290</b>	<b>4,061,107</b>

Depreciation measures the service potential of heritage assets, plant and equipment and furniture and fittings consumed during the year. Depreciation is recognised on a straight-line basis over the useful lives of the assets to the entity. Depreciation rates are reviewed each financial year.

The expected useful lives of the assets for current and prior years are as follows:

USEFUL LIFE OF ASSETS	USEFUL LIFE (YEARS)
Shrine building	25-110
Plant & equipment	5-37
Furniture & fittings	3-22

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONT'D)

PLANT & EQUIPMENT		FURNITURE & FITTINGS		WORK IN PROGRESS		TOTAL	
2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
2,605,137	2,987,644	624,983	893,814	1,068,361	48,660	323,944,592	292,413,896
248,230	76,560	-	12,967	1,847,277	1,019,701	2,095,507	1,109,228
(78,971)	(11,000)	-	(2,300)	(846,608)	-	(925,579)	(13,300)
-	-	-	-	-	-	-	34,486,980
44,901	-	-	(7,371)	(44,901)	-	-	-
(329,233)	(448,067)	(129,689)	(272,127)	-	-	(3,803,290)	(4,052,212)
2,490,065	2,605,137	495,294	624,983	2,024,129	1,068,361	321,311,231	323,944,592

#### 4.2 INTANGIBLE ASSETS

	2023 \$	2022 \$
Capitalised software	-	143,457
Less: accumulated amortisation	-	(143,457)
<b>Carrying amount at end of the year</b>	<b>-</b>	<b>-</b>

#### RECONCILIATION OF CARRYING AMOUNTS

	2023 \$	2022 \$
Carrying amount at start of year	-	12,321
Software written off	-	(3,426)
Amortisation	-	(8,895)
<b>Carrying amount at end of the year</b>	<b>-</b>	<b>-</b>

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Trustees. Intangible assets consist of items of software and the Shrine

website. Costs in relation to the web site controlled by the Trustees are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised as Intangible Assets and amortised over their period of expected benefit (10 years). As at 30 June 2022 intangible assets were fully written down.

#### 4.3 INVESTMENTS AND OTHER FINANCIAL ASSETS

	2023 \$	2022 \$
Managed investment—Victorian Funds Management Corporation	2,202,259	2,129,206
<b>Total investments and other financial assets</b>	<b>2,202,259</b>	<b>2,129,206</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 5 OTHER ASSETS AND LIABILITIES

#### INTRODUCTION

This section sets out those assets and liabilities that arise from the Trustees operations.

#### STRUCTURE

- 5.1 Receivables
- 5.2 Payables
- 5.3 Inventories

#### 5.1 RECEIVABLES

	2023 \$	2022 \$
<b>Contractual</b>		
Accrued investment income	29,693	112,070
Prepaid wages	25,491	30,303
Other receivables	7,704	-
	10,222	689
<b>Statutory</b>		
GST receivable	43,860	101,628
<b>Total receivables</b>	<b>116,970</b>	<b>244,690</b>

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They consist predominantly of debtors in relation to goods and services and accrued investment income and are initially recognised at fair value plus any directly attributable transaction costs. The Trustees hold contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not

classified as financial instruments for disclosure purposes. The Trustees apply AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Receivables consist of contractual receivables, such as debtors in relation to goods and services, accrued investment income and statutory receivables. A provision for doubtful receivables is made when there is objective evidence that these debts will not be collected. Bad debts are written off when identified.

#### 5.2 PAYABLES

	2023 \$	2022 \$
<b>Current contractual financial liabilities</b>		
Creditors	368,927	246,546
Accrued expenses	301,944	603,073
Deferred revenue	3,398,135	2,616,968
Other payables	525	415
<b>Statutory</b>		
GST payable	-	-
<b>Total payables</b>	<b>4,069,531</b>	<b>3,467,002</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 5 OTHER ASSETS AND LIABILITIES (CONT'D)

Payables consist of:

- **contractual payables** classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Trustees prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but the terms and conditions of amounts payable to the government and agencies vary according to the particular agreements, they are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.
- **Deferred revenue** Grant consideration was also received from the State Government in support of capital works, exhibition and commemorative services. Grant income is recognised when the relevant performance obligations have been completed. The remaining grant revenue is recognised when the services are rendered in the following year.

The contractual maturity analysis of the Trustees financial liabilities is as follows:

	CARRYING AMOUNT \$	NOMINAL AMOUNT \$	MATURITY			
			LESS THAN 1 MONTH \$	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS
<b>2023</b>						
Payables	368,927	368,927	368,927	-	-	-
	<b>368,927</b>	<b>368,927</b>	<b>368,927</b>	-	-	-
<b>2022</b>						
Payables	246,546	246,546	246,546	-	-	-
	<b>246,546</b>	<b>246,546</b>	<b>246,546</b>	-	-	-

### 5.3 INVENTORIES

	2023 \$	2022 \$
Inventories held for sale	52,565	71,927
<b>Total inventories</b>	<b>52,565</b>	<b>71,927</b>

Inventories held for sale are measured at the lower of cost and net realisable value.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 6 FINANCING OUR OPERATIONS

#### INTRODUCTION

This section provides information on the sources of finance utilised by the Trustees during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Trustees.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional specific financial instrument disclosures.

#### STRUCTURE

- 6.1 Cash flow information and balances
- 6.2 Commitments for expenditure

#### 6.1 CASH FLOW INFORMATION AND BALANCES

For the purposes of the cash flow statement, cash and cash equivalents comprises cash on hand, cash at bank, bank overdrafts and deposits at call, and highly liquid investments with an original maturity of three

months or less, that are readily convertible to cash on hand and are subject to insignificant changes of value, as indicated in the reconciliation below.

	2023 \$	2022 \$
Cash on hand	6,713	8,117
Cash at bank	2,986,992	2,876,668
<b>Balance as per cash flow statement</b>	<b>2,993,705</b>	<b>2,884,785</b>

The Trustees has the following bank facilities available:

- Credit Card (Visa)—limit \$25,000.

#### 6.1.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2023 \$	2022 \$
Net result for the period	(3,271,760)	(3,756,839)
<b>Non-cash movements</b>		
Depreciation & amortisation	3,803,290	4,061,107
Fair value movement of other financial assets	(73,053)	321,286
Loss on disposal of non-current assets	78,971	-
Other	144,723	(200,986)
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	127,720	(12,726)
Increase/(decrease) in payables	602,529	2,639,544
Increase/(decrease) in employee benefits	70,761	55,834
(Increase)/decrease in inventories	19,362	24,044
<b>Net cash flows from/(used in) operating activities</b>	<b>1,502,543</b>	<b>3,131,264</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 6 FINANCING OUR OPERATIONS (CONT'D)

#### 6.2 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST Payable.

	LESS THAN 1 YEAR \$	1-5 YEARS \$	5+ YEARS \$	TOTAL \$
<b>2023</b>				
Capital commitments payable	4,225,312	-	-	4,225,312
Other commitments payable	353,342	435,437	-	788,779
Operating lease commitments (a)	1,405	-	-	1,405
<b>Total commitments (inclusive of GST)</b>	<b>4,580,059</b>	<b>435,437</b>	<b>-</b>	<b>5,015,496</b>
Less GST recoverable from ATO	(416,369)	(39,585)	-	(455,954)
<b>Total commitments (exclusive of GST)</b>	<b>4,163,690</b>	<b>395,852</b>	<b>-</b>	<b>4,559,542</b>
<b>2022</b>				
Capital commitments payable	4,506,003	-	-	4,506,003
Other commitments payable	441,395	58,098	-	499,493
Operating lease commitments (a)	8,428	1,405	-	9,833
<b>Total commitments (inclusive of GST)</b>	<b>4,955,826</b>	<b>59,503</b>	<b>-</b>	<b>5,015,329</b>
Less GST recoverable from ATO	(450,530)	(5,409)	-	(455,939)
<b>Total commitments (exclusive of GST)</b>	<b>4,505,296</b>	<b>54,094</b>	<b>-</b>	<b>4,559,390</b>

NOTE (a) Operating leases are for the lease of office equipment. The Trustees have elected to apply the recognition exemption para 5(a) AASB 16 – Leases: "leases for which the underlying asset is of low value".



# NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

## 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### INTRODUCTION

The Trustees is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Trustees, relates mainly to fair value determination.

### STRUCTURE

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

#### INTRODUCTION

Financial instruments arise out of contractual agreements between entities that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trustees's activities, certain financial assets and financial liabilities arise under statute rather than a

contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables do not meet the definition of financial instruments as they do not arise under contract.

#### CATEGORIES OF FINANCIAL ASSETS

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result.

- The assets are held by the Trustees to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Trustees recognise the following assets in this category:

- Cash and deposits,
- trade receivables (excluding statutory receivables)

##### Financial assets at fair value through net result

Equity instruments that are held for trading are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income.

The Trustees recognise Investments and other financial assets in this category.

#### CATEGORIES OF FINANCIAL LIABILITIES

##### Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The Trustees recognise payables (excluding statutory payables) in this category.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

##### CATEGORIES OF FINANCIAL LIABILITIES (CONT'D)

##### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

##### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

##### Offsetting financial instruments

Financial instrument assets and liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Trustees have a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION	CASH AND DEPOSITS \$	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT/LOSS (FVTPL) \$	FINANCIAL ASSETS AT AMORTISED COST (AC) \$	FINANCIAL LIABILITIES AT AMORTISED COST (AC) \$	TOTAL \$
<b>2023</b>					
<b>Contractual financial assets</b>					
Cash and deposits	2,993,705	-	-	-	2,993,705
Other financial assets	-	2,202,259	-	-	2,202,259
Accrued investment income	-	-	29,693	-	29,693
Other receivables	-	-	43,417	-	43,417
<b>Total contractual financial assets</b>	<b>2,993,705</b>	<b>2,202,259</b>	<b>73,110</b>	<b>-</b>	<b>5,269,074</b>
<b>Contractual financial liabilities</b>					
<b>Payables</b>					
Supplies and services	-	-	-	537,436	537,436
Amounts payable to government and agencies	-	-	-	133,960	133,960
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>671,396</b>	<b>671,396</b>
<b>2022</b>					
<b>Contractual financial assets</b>					
Cash and deposits	2,884,785	-	-	-	2,884,785
Other financial assets	-	2,129,206	-	-	2,129,206
Accrued investment income	-	-	112,070	-	112,070
Other receivables	-	-	30,992	-	30,992
<b>Total contractual financial assets</b>	<b>2,884,785</b>	<b>2,129,206</b>	<b>143,062</b>	<b>-</b>	<b>5,157,053</b>
<b>Contractual financial liabilities</b>					
<b>Payables</b>					
Supplies and services	-	-	-	732,120	732,120
Amounts payable to government and agencies	-	-	-	171,000	171,000
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>903,120</b>	<b>903,120</b>

NOTE The total amounts disclosed here exclude statutory amounts (e.g. taxes payable)

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

7.1.2 NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS	NET HOLDING GAIN / (LOSS) \$	TOTAL INTEREST INCOME / (EXPENSE) \$	TOTAL \$
<b>2023</b>			
<b>Contractual financial assets</b>			
Cash and deposits	–	169,142	169,142
Other financial assets	53,523	–	53,523
<b>Total financial assets</b>	<b>53,523</b>	<b>169,142</b>	<b>222,665</b>
<b>2022</b>			
<b>Contractual financial assets</b>			
Cash and deposits	–	13,688	13,688
Other financial assets	127,866	–	127,866
<b>Total financial assets</b>	<b>127,866</b>	<b>13,688</b>	<b>141,554</b>

#### 7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees financial risk management program seeks to manage risks and the associated volatility of its financial performance.

The main purpose in holding financial instruments is to prudently manage the Trustees financial risks within the government policy parameters.

The Trustees main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk.

The Trustees use different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

##### Financial instruments: Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

##### Financial Assets that are either past due or impaired

Currently the entity does not hold any collateral as security nor credit enhancements relating to any of its financial assets. As at the reporting date, there is no indication that the financial assets have been impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS:

	MATURITY						TOTAL \$
	CARRYING AMOUNT \$	CURRENT \$	LESS THAN 1 MTH. \$	1-3 MTHS. \$	3-12 MTHS. \$	1-5 YEARS \$	
<b>2023</b>							
Expected credit loss rate (%)	-	-	-	-	-	-	-
Accrued investment income	29,693	29,693	-	-	-	-	29,693
Other receivables	43,417	7,704	507	1,521	7,850	25,835	43,417
	<b>73,110</b>	<b>37,397</b>	<b>507</b>	<b>1,521</b>	<b>7,850</b>	<b>25,835</b>	<b>73,110</b>
Loss allowance	-	-	-	-	-	-	-
<b>2022</b>							
Expected credit loss rate (%)	-	-	-	-	-	-	-
Accrued investment income	112,070	112,070	-	-	-	-	112,070
Other receivables	30,992	-	-	-	689	30,303	30,992
	<b>143,062</b>	<b>112,070</b>	<b>-</b>	<b>-</b>	<b>689</b>	<b>30,303</b>	<b>143,062</b>
Loss allowance	-	-	-	-	-	-	-

##### Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Trustees operate under the policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. The Trustees manage risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets and dealing in highly liquid markets. The Trustees exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

##### Financial instruments: Market risk

The Trustees exposure to market risk is primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage this risk are disclosed below.

##### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Trustees do not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trustees have minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

Management has concluded for cash at bank as a financial asset that can be left at floating rate without necessarily exposing the Trustees to significant risk, management monitors cash flows and movement in interest rates on a daily basis. The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Trustees sensitivity to interest rate risk are set out in the table that follows.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

	INTEREST RATE EXPOSURE				
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON- INTEREST BEARING
<b>2023</b>					
Cash & cash equivalents	3.39%	2,993,705	-	2,993,705	-
Investments & other financial assets		2,202,259	-	2,202,259	-
Other receivables		43,417	-	-	43,417
<b>Total financial assets</b>		<b>5,239,381</b>	<b>-</b>	<b>5,195,964</b>	<b>43,417</b>
<b>2022</b>					
Cash & cash equivalents	0.31%	2,884,785	-	2,884,785	-
Investments & other financial assets		2,129,206	-	2,129,206	-
Other receivables		30,992	-	-	30,992
<b>Total financial assets</b>		<b>5,044,983</b>	<b>-</b>	<b>5,013,991</b>	<b>30,992</b>

#### SENSITIVITY DISCLOSURE ANALYSIS AND ASSUMPTIONS

The Trustees sensitivity to market risk is determined based on the observed range of actual historical data. The Trustees's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- A movement of 200 basis points up (2022:200 basis points up and down) in market interest rates (AUD); and,

- a movement of 15 per cent up and down (2022:15 per cent) for the top ASX 200 index.

The tables that follow show the impact on the Trustees net result and equity for each category of financial instrument held by the Trustees at the end of the reporting period, if the above movements were to occur.

INTEREST RATE RISK SENSITIVITY	CARRYING AMOUNT	NIL BASIS POINTS	NIL BASIS POINTS/ FAIR VALUE THROUGH OCI RESERVE	+200 BASIS POINTS/+2%	+200 BASIS POINTS/+2%
		NET RESULT	FAIR VALUE THROUGH OCI RESERVE	NET RESULT	FAIR VALUE THROUGH OCI RESERVE
<b>2023</b>					
Cash assets	2,993,705	-	-	59,874	-
<b>Total impact</b>		<b>-</b>	<b>-</b>	<b>59,874</b>	<b>-</b>
<b>2022</b>					
Cash assets	2,884,785	-	-	57,696	-
<b>Total impact</b>		<b>-</b>	<b>-</b>	<b>57,696</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### EQUITY PRICE RISK

The Trustees are exposed to equity price risk through its managed investments. Such investments are allocated and traded to match the investment objectives appropriate for the Trustees liabilities.

The Trustees have appointed VFMC to manage its investment portfolio in accordance with the Investment Risk Management Plan approved by the Treasurer.

The fund manager on behalf of the Trustees closely monitors performance and manages the equity price risk through diversification of its investment portfolio.

The Trustees sensitivity to equity price risk is set out below.

##### EQUITY PRICE RISK SENSITIVITY

		-15%	-15%	+15%	+15%
	CARRYING AMOUNT	NET RESULT	FAIR VALUE THROUGH OCI RESERVE	NET RESULT	FAIR VALUE THROUGH OCI RESERVE
<b>2023</b>					
Investments and other financial assets	2,202,259	(330,339)	-	330,339	-
<b>Total impact</b>		<b>(330,339)</b>	<b>-</b>	<b>330,339</b>	<b>-</b>
<b>2022</b>					
Investments and other financial assets	2,129,206	(319,381)	-	319,381	-
<b>Total impact</b>		<b>(319,381)</b>	<b>-</b>	<b>319,381</b>	<b>-</b>

### 7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

##### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There were no contingent assets based on the above definitions relating to the Trustees at 30 June 2023 (30 June 2022: Nil).

##### Contingent liabilities

Contingent liabilities are:

- Possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There were no contingent liabilities based on the above definitions relating to the Trustees at 30 June 2023 (30 June 2022 Nil).

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.3 FAIR VALUE DETERMINATION

This section sets out information on how the Trustees determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through operating result,
- land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Trustees determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

##### Fair value hierarchy

Consistent with AASB 13 Fair Value Measurement, the Trustees determine the policy and procedure for recurring fair value measurements such as Land & Heritage Assets.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- **Level 2** — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- **Level 3** — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Trustees have determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Valuer-General Victoria is the Trustees's independent valuation agency. The Trustees monitors changes in the fair value of each asset through relevant data sources to determine whether revaluation is required.

##### Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- **Level 1** — The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- **Level 2** — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3** — the fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The entity considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the availability of accurate market prices or their short-term nature and the expectation that they will be paid in full.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.3 FAIR VALUE DETERMINATION (CONT'D)

##### DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
LAND	Market approach	Community Service Obligation (CSO) adjustment	60%	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value.
HERITAGE ASSETS — SHRINE OF REMEMBRANCE BUILDING	Depreciated replacement cost	Direct cost per square metre	\$2,596– \$7,731	A significant increase or decrease in direct cost per square metre would result in a significantly higher or lower valuation.
		Useful life	30–200 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
CULTURAL ASSETS	Market based direct & Depreciated replacement cost	Cost per unit	\$2,300– \$2,365,000	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower valuation.
PLANT & EQUIPMENT	Depreciated replacement cost	Cost per unit	\$1,500– \$225,000	A significant increase or decrease in cost per unit would result in a significantly higher or lower valuation.
		Useful life	5–30 years	A significant increase or decrease in the useful life of the asset would result in a significantly higher or lower valuation.
FURNITURE & FITTINGS	Depreciated replacement cost	Cost per unit	\$1,008– \$53,027	A significant increase or decrease in cost per unit would result in a significantly higher or lower valuation.
		Useful life	5–30 years	A significant increase or decrease in the useful life of the asset would result in a significantly higher or lower valuation.

NOTE Descriptions of significant unobservable inputs to Level 3 valuations are the same as the previous year.



## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.3 FAIR VALUE DETERMINATION (CONT'D)

FAIR VALUE MEASUREMENT HIERARCHY	CARRYING AMOUNT \$	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$
<b>2023</b>				
Other financial assets	2,202,259	-	2,202,259	-
Land	187,186,000	-	-	187,186,000
Heritage assets — Shrine building	120,005,062	-	-	120,005,062
Heritage assets — Cultural assets	9,110,680	-	-	9,110,680
Plant and equipment	2,490,065	-	-	2,490,065
Furniture and fittings	495,294	-	-	495,294
<b>Total</b>	<b>321,489,360</b>	<b>-</b>	<b>2,202,259</b>	<b>319,287,101</b>
<b>2022</b>				
Other financial assets	2,129,206	-	2,129,206	-
Land	187,186,000	-	-	187,186,000
Heritage assets — Shrine building	123,349,430	-	-	123,349,430
Heritage assets — Other	9,110,680	-	-	9,110,680
Plant and equipment	2,605,137	-	-	2,605,137
Furniture and fittings	624,983	-	-	624,983
<b>Total</b>	<b>325,005,436</b>	<b>-</b>	<b>2,129,206</b>	<b>322,876,230</b>

The valuations have been conducted as below:

#### OTHER FINANCIAL ASSETS

Valuation of funds managed by Victorian Funds Management Corporation are determined by the market values of the underlying investments at 30 June 2023.

#### LAND

Valuation of the Land was determined by the Valuer General Victoria based on market based direct comparison approach adjusted for CSO. The effective date of the Valuation is 30 June 2022.

#### HERITAGE BUILDING

i) Valuation of the Trustees's building was determined by an independent valuer, Jones Lang LaSalle Valuation & Advisory Pty Ltd on behalf of the Valuer-General Victoria. The revaluation was based on reproduction and depreciated reproduction cost of the asset and components. The effective date of the valuation is 30 June 2022.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT'D)

#### 7.3 FAIR VALUE DETERMINATION (CONT'D)

##### HERITAGE ASSETS—CULTURAL ASSETS

i) Valuation of heritage cultural assets was determined by an independent valuer, Jones Lang LaSalle Valuation & Advisory Pty Ltd on behalf of the Valuer-General Victoria. The revaluation was based on the market based direct comparison approach. The effective date of the valuation is 30 June 2022.

##### PLANT AND EQUIPMENT, FURNITURE AND FITTINGS

i) Plant & Equipment and Furniture & Fittings was determined by an independent valuer, Napier & Blakeley Pty Ltd on behalf of the Valuer-General Victoria. The revaluation was based on depreciated replacement cost. The effective date of the valuation was 30 June 2017.

RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS	LAND \$	BUILDING \$	CULTURAL ASSETS \$	PLANT AND EQUIPMENT \$	FURNITURE AND FITTINGS \$
<b>2023</b>					
Opening balance	187,186,000	123,349,430	9,110,680	2,605,137	624,983
Transfers in (out) of Level 3	-	-	-	-	-
Additions	-	-	-	248,230	-
Disposals	-	-	-	(78,971)	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	44,901	-
Depreciation	-	(3,344,368)	-	(329,233)	(129,689)
<b>Closing balance</b>	<b>187,186,000</b>	<b>120,005,062</b>	<b>9,110,680</b>	<b>2,490,065</b>	<b>495,294</b>
<b>2022</b>					
Opening balance	175,153,650	106,367,405	2,420,686	2,987,644	893,814
Transfers in (out) of Level 3	-	-	4,542,036	-	-
Additions	-	-	-	76,560	12,967
Disposals	-	-	-	(11,000)	(2,300)
Revaluation	12,032,350	20,215,584	2,239,046	-	-
Transfers	-	-	7,371	-	(7,371)
Depreciation	-	(3,233,559)	(98,459)	(448,067)	(272,127)
<b>Closing balance</b>	<b>187,186,000</b>	<b>123,349,430</b>	<b>9,110,680</b>	<b>2,605,137</b>	<b>624,983</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES

#### INTRODUCTION

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

#### STRUCTURE

- 8.1 Subsequent events
- 8.2 Reserves
- 8.3 Responsible persons
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Contributed capital
- 8.7 Economic dependency
- 8.8 Resources provided free of charge
- 8.9 Other economic flows included in net result
- 8.10 Consolidated entities
- 8.11 Australian Accounting Standards issued that are not yet effective

#### 8.1 SUBSEQUENT EVENTS

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in the future financial years.

#### 8.2 RESERVES

	2023 \$	2022 \$
<b>Physical Asset Revaluation Surplus</b>		
Land	165,986,000	165,986,000
Buildings	72,639,634	72,639,634
Cultural assets	8,250,917	8,250,917
Plant and equipment & Furniture and fittings	27,679	27,679
<b>Total Physical Asset Revaluation Surplus</b>	<b>246,904,230</b>	<b>246,904,230</b>
<b>Movement in Physical Asset Revaluation Surplus</b>		
Balance at the beginning of the financial year	246,904,230	212,417,250
Revaluation—Land	–	12,032,350
Revaluation—Shrine of Remembrance building	–	19,146,846
Revaluation—Cultural assets	–	3,307,784
<b>Balance at the end of the financial year</b>	<b>249,904,230</b>	<b>246,904,230</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

#### 8.2 RESERVES (CONT'D)

Revaluation increments are recognised in other economic flows—other comprehensive income and credited directly to the physical asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, the increment is recognised as revenue.

Revaluation decrements are recognised immediately as expenses, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the physical asset revaluation surplus.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

#### 8.3 RESPONSIBLE PERSONS

The persons who held the positions of Minister, Trustees and Accountable Officer in the Shrine of Remembrance from 1 July 2022 to 30 June 2023 were:

##### Responsible Minister

- The Hon Shaun Leane, MP, Minister for Veterans (to 4 December 2022)
- The Hon Natalie Suleyman MP, Minister for Veterans (from 5 December 2022)

##### Trustees

- Captain Stephen Bowater OAM RAN (CHAIRMAN)
- Colonel Catherine (Bunny) Carrigan
- The Right Hon the Lord Mayor Sally Capp AO
- Dr Robert Webster OAM
- Mr Graeme Plumridge OAM
- Ms Susan Blake GAICD
- Ms Tracey Curro
- Mr Roger Clifton JP
- Ms Nikki Deighton (to 9 April 2023)
- Ms Talieh Williams

##### Remuneration

Remuneration received or receivable by the Accountable Officer, in connection with the management of the Trustees during the reporting period, was in the range: \$360,000 – \$369,999, (2022: \$240,000 – \$249,999).

During the year, Trustee sitting fees of \$4,528 were paid (2022: \$4,170). No other amounts were paid to trustees.

Amounts relating to Ministers are reported within the State's Annual Financial Report.

##### Accountable Officer

- Dean M Lee, Chief Executive Officer

##### Remuneration of Executives

The number of senior executive service members, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the following table. Executives were employed under Part 3 of the Public Administration Act 2004 from 1 July 2022.

REMUNERATION OF THE SENIOR EXECUTIVE SERVICE	2023 \$	2022 \$
Short-term employee benefits	583,667	–
Post-employment benefits	60,953	–
<b>Total</b>	<b>644,620</b>	<b>–</b>
<b>Total number of executives</b>	<b>4</b>	<b>–</b>
<b>Total annualised employee equivalents</b>	<b>3</b>	<b>–</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

#### 8.4 RELATED PARTIES

The Shrine of Remembrance is a Victorian Government Entity. Related parties of the Shrine include:

- All key management personnel and their close family members;
- all cabinet Ministers and their close family members; and
- all departments and public-sector entities that are controlled and consolidated into the whole of State consolidated financial statements.

#### Significant transactions with government-related entities

The Trustees received grant funding from the Department of Families, Fairness and Housing of \$6,053,410 (2022: \$6,239,906) and Department of Environment, Land, Water and Planning of \$1,056,000 (2022: \$1,038,000).

Key Management Personnel (KMP) includes the Portfolio Ministers, the trustees and the Chief Executive Officer.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the State's Annual Financial Report.

COMPENSATION OF KMPs	2023 \$	2022 \$
Short-term employee benefits	331,671	224,734
Post-employment benefits	34,825	22,471
<b>Total</b>	<b>366,496</b>	<b>247,205</b>

#### TRANSACTIONS WITH KMPs AND OTHER RELATED PARTIES

Given the breadth and depth of Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public-Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

During the year, the trustees received grant funding from the City of Melbourne of \$367,337 (2022: \$346,218) and paid expenses of \$708,059 to City of Melbourne (2022: \$1,994).

During the year, Trustee sitting fees of \$4,528 were paid (2022: \$4,170). No other amounts were paid to trustees.

Outside of normal citizen type transactions with the Trustees, there were no related party transactions that involved KMPs and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

8.5 REMUNERATION OF AUDITORS	2023 \$	2022 \$
Audit fees paid or payable to the Victorian Auditor-General's Office		
Audit of the annual financial statements	34,900	34,000
<b>Total remuneration of auditors</b>	<b>34,900</b>	<b>34,000</b>

Audit fees for 2023 include \$5,500 for the audit of the Shrine of Remembrance Foundation. No other services were provided by the Victorian Auditor-General's Office.

### 8.6 CONTRIBUTED CAPITAL

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions to Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

### 8.7 ECONOMIC DEPENDENCY

A significant proportion of the revenue is received through grant funding from the Victorian State Government. The Trustees is reliant on this funding to meet their commitments as and when they fall due.

### 8.8 RESOURCES PROVIDED FREE OF CHARGE

The City of Melbourne provides non-monetary support in grounds maintenance of the Shrine Reserve and administrative services to the Trustees free of charge. The value of this support cannot be reliably valued.

The Victoria Police provides non-monetary support in security to the Trustees free of charge. The value of this support cannot be reliably valued.

The Trustees also receive volunteer services and depend on volunteers to support delivery of educational programs. The value of this support cannot be reliably valued.

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

#### 8.9 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- Net gain/(loss) on financial instruments; and
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

	2023 \$	2022 \$
<b>Other gains/(losses) from other economic flows</b>		
Gain/(loss) on revaluation of long service leave liability due to changes in bond rates	7,183	35,197
Changes to the fair value of investments measured at fair value through net result		
Gain/(loss) on revaluation of investments due to changes in market values	73,053	(321,286)
<b>Total</b>	<b>80,236</b>	<b>(286,089)</b>

#### 8.10 CONSOLIDATED ENTITIES

The following two entities have been consolidated into the Shrine of Remembrance financial statements:

- Shrine of Remembrance Trustees, and
- Shrine of Remembrance Foundation.

Those entities are reported in aggregate in the table below.

	SHRINE OF REMEMBRANCE TRUSTEES		SHRINE OF REMEMBRANCE FOUNDATION		TOTAL	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Total income from transactions	7,530,788	5,694,357	475,092	213,297	8,005,880	5,907,654
Net result from transactions	(3,432,937)	(3,549,745)	80,941	78,995	(3,351,996)	(3,470,750)
Total Assets	324,159,923	326,758,390	2,536,007	2,516,810	326,676,733	329,275,200
Total liabilities	4,624,526	3,951,236	19,600	81,162	4,705,688	4,032,398

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

#### 8.11 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to the Model Financial Statements.

The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

STANDARD/ INTERPRETATION	SUMMARY	IMPACT ON PUBLIC SECTOR ENTITY FINANCIAL STATEMENTS
<p>AASB 2022-10 <i>Amendments to Australian Accounting Standards — Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i></p> <p>Applicable for annual reporting periods beginning on 1 July 2026</p>	<p>AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p> <p>The Standard:</p> <ul style="list-style-type: none"> <li>• specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 Non-current Assets Held for Sale and Discontinued Operations or if it is highly probable that it will be used for an alternative purpose;</li> <li>• clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;</li> <li>• specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and</li> <li>• provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and AASB 17 Insurance Contracts AASB 2022-8</li> </ul>	<p>The standard is not expected to have a significant impact.</p>



## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

#### 8.1.1 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE (CONT'D)

STANDARD/ INTERPRETATION	SUMMARY	IMPACT ON PUBLIC SECTOR ENTITY FINANCIAL STATEMENTS
<p><b>AASB 17 Insurance Contracts</b> <b>AASB 2022-8</b> <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i></p> <p><b>AASB 2022-9</b> <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i></p> <hr/> <p>Applicable for annual reporting periods beginning on 1 July 2026</p>	<p>AASB 17 replaces AASB 4 <i>Insurance Contracts</i>, AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026. AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026. AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026.</p>	<p>The standard is not expected to have a significant impact.</p>
<p><b>AASB 2022—5</b> <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></p> <hr/> <p>Applicable for annual reporting periods beginning on 1 January 2024</p>	<p>AASB 2022-5 amends AASB 16 <i>Leases</i> to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements for sale in AASB 15 <i>Revenue from Contracts with Customers</i>. The amendments ensure that a seller-lessee subsequently remeasures lease liabilities arising from a leaseback in a way that does not recognise any amount of gain or loss that related to the right of use it retains.</p>	<p>The standard is not expected to have a significant impact.</p>

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### 8 OTHER DISCLOSURES (CONT'D)

#### 8.1.1 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE (CONT'D)

STANDARD/ INTERPRETATION	SUMMARY	IMPACT ON PUBLIC SECTOR ENTITY FINANCIAL STATEMENTS
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	AASB 2020-1 amended AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.	The standard is not expected to have a significant impact.
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non- current Liabilities with Covenants</i>	AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.  AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it: <ul style="list-style-type: none"> <li>• clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or noncurrent, and</li> <li>• requires additional disclosures for non- current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.</li> </ul> AASB 2020-6 applies to annual reporting periods beginning on or after 1 January 2023	
Applicable for annual reporting periods beginning on 1 January 2023		