

A kookaburra is perched on a tree branch, facing left. The background is a soft-focus bokeh of green and blue, with a pattern of small white dots overlaid. In the upper right, a white circle with a teal border contains the text 'Annual Report 2020 / 2021'.

**Annual Report
2020 / 2021**



Northern Cemeteries

Always

Always caring for the community in all its diversity

Content

Vision, Mission and Values	01
Administrator's Report	02
Acting CEO's Report	03
Snapshot & Highlights	04
Strategic Imperative 1	06
Strategic Imperative 2	08
Grants and Sponsorships	11
Strategic Imperative 3	12
Strategic Imperative 4	13
Strategic Imperative 5	15
Governance	17
Organisational Structure	22
Financial Report	24
Locations	61

Our Vision



Ensuring that everyone in the community has access to respectful dignified services and memorialisation.

Our Values



We excel in caring always

- We understand, honour and respect the nature of our service to families and community.
- We respect diversity in values, customs and beliefs.
- Every day, we strive to 'be our best' when caring for families and community.
- We recognise, at all times, our role as ambassadors for Northern Cemeteries.
- Our leaders accept responsibility for ensuring excellence in the care we provide.



We strive to achieve

- We recognise the importance of our work and that others are relying on us. We accept responsibility at all times, working diligently to achieve what's expected of us.
- We accept responsibility for effectively and efficiently utilising the resources entrusted to us.
- We are committed to working in a manner that supports our own and others' safety.
- We continually look for opportunities to improve what we do and how we do it.
- Our leaders manage others in a manner that facilitates a culture of achievement.



We work together as a team

- We acknowledge that every member of the team has value and adds value.
- We trust others and act in a way that reinforces the trust others have in us.
- We are committed to collaborating constructively as we care for families and community.
- At all times, we act in a manner that demonstrates our respect and support for one another.
- Our leaders lead by example during individual and team interactions.

Administrator's Report

On the 28 May 2021 the Government appointed me as Administrator to take on the functions of the boards of Northern Metropolitan Cemeteries Land Manager, Southern Metropolitan Cemeteries Land Manager, Rookwood Necropolis Land Manager and Rookwood General Cemeteries Reserve Land Manager.

My appointment follows completion of the Statutory Review and acceptance of the recommendations made in the 11th Hour Report. These recommendations are designed to ensure that NSW families and communities have equitable access to affordable burials and that we have a sustainable sector for generations to come. While many of the Report's recommendations are focused on the entire industry, at this time the focus of my work will be on implementation of the recommendations as they apply to four NSW Crown Land cemetery operators.

Since my appointment I have been working with the various Cemeteries under my remit to ensure we continue to deliver our services to our multi-faith stakeholders whilst commencing a smooth transition to a consolidated Crown Land Manager.

On behalf of the Minister and myself, I would like to thank the former Boards of Management of the existing cemeteries for their dedication in managing the land managers over many years and thank them for their valued contribution to this essential sector for our communities.

The Crown maintaining a presence in this sector is paramount to ensuring members of our communities have affordable choices of interment into the future. Whilst the majority of end-of-life interment choice is around cremation, bodily earth interment remains an essential practice for some religious faiths and cultures. It also remains a clear choice which is exercised by some citizens who are not considered as active participants in a religious organisation or have strong cultural beliefs.

Since May the work to set up the new entity and to begin the process of consolidating resources has been supported by a highly skilled project team. As we commence actual consolidation work, we welcome to our team an interim CEO, Nick Roberts. Nick brings extensive experience in establishing Government Corporate entities, based on his long experience with the Forestry Corporation of NSW.

The important work of the team has been supported by an independent Audit Risk and Finance Committee, chaired by Ms Katherine O'Regan, with Ms Melinda Snowden and Ms Robyn Scott as members.

Equally I would like to take this opportunity to thank the members of the Community Engagement Committee for their ongoing support and dedication to this important sector.

Work will continue over the remainder of the financial year to establish One Crown as a Crown Land Manager. It is expected that a skills-based Board will be appointed by the Minister during 2022. Existing operational staff will be transitioned into the new organisation once established. I would like to acknowledge the extraordinary work of our staff within our various Crown Cemeteries. As an essential workforce they have ensured continuity of operations through this challenging year with every care is being taken to ensure that services to the public are maintained within the parameters of the Public Health Orders. Each site continues to deliver optimum customer service within those constraints. The extended lock down and Public Health Order provisions associated with the Government's Covid 19 Pandemic response have resulted in restricted access and attendance at services at our sites, however staff have maintained services to the best of their ability. We all look forward to the easing of restrictions in the future.

While Covid restrictions have delayed some aspects of the amalgamation, we have remained committed to our vision and commitments.

I look forward to bringing to fruition the establishment of One Crown in the coming year.

Lee Shearer

Lee Shearer
Administrator
Northern Cemeteries

Acting CEO's Report

The last year has seen challenges on a number of fronts as we have endeavoured to uphold our vision to always care for the community in all its diversity and ensure that everyone has access to respectful, dignified services and memorialisation.

Having successfully emerged from the first wave of Covid-19 in the first half of 2020, any thoughts of a return to normality were dispelled by year end, by which time Northern Beaches was in lockdown, impacting our operations at Frenchs Forest and other sites. In the lead up to the Greater Sydney lockdown, we reintroduced our full range of Covid safe measures, with a new focus on enabling online sales for those unable to attend our sites. Our aim throughout the pandemic has been to continue to deliver services to the families and communities we serve, ensuring a safe environment for our staff and all those who visit our sites. We thank all our families, funeral directors and other stakeholders for their patience, flexibility and ongoing commitment during this difficult time.

Despite the disruption caused by Covid-19 we finished the year in a strong position, with growth in both revenue and operating surplus. Strong performance of our investment portfolio continued, securing important funds for the perpetual maintenance of our cemeteries into the future. Our investment in technology over recent years was critical in allowing business continuity during the pandemic. We successfully moved our community events online, and saw a significant increase in demand for webcasting of services. Compared to the previous year we saw a 30% increase in the number of cremations and a 31% increase in bookings for chapel services.

Our capital works program has continued with its focus on increasing burial capacity and improving amenity, choice and appeal for our customers. After many years of planning construction commenced on the new Mausoleum of the Holy Way at Macquarie Park, with completion on track for early 2022. The Sacred Crypts of Our Lady development at Field of Mars opened, offering 224 crypt spaces. We also developed a new natural burial area at Frenchs Forest, the first and only natural burial area in northern Sydney. We also undertook a number of works to repair and upgrade aged infrastructure and improve our facilities. We were grateful to receive a grant from NSW Government to support these projects.

The release of the Statutory Review of the Cemeteries and Crematoria Act in early 2021 saw Northern Cemeteries transition to the new OneCrown structure for Sydney's Crown Land cemeteries. With a long term focus on the sustainability of the cemetery sector, we are already seeing the benefits of sharing ideas and resources with the other cemetery operators. Our executive have worked closely with the Administrator Lee Shearer, and the OneCrown team to support our staff during a time of change and ensure business continuity throughout the transition process.

With the creation of OneCrown, the term of the Board of Northern Cemeteries ended in November 2020. Appointed in 2015 under the leadership of Chair Dr John Hewson AM, the Board brought a high level of strategic vision and business acumen to Northern Cemeteries and oversaw significant achievements in financial management, community engagement, innovation and management of risk. We thank the Board for their unwavering commitment to the success of Northern Cemeteries over the past five years.

It was also with sadness that we bid farewell to our long serving CEO Pauline Tritton, who leaves us after 23 years of distinguished service. Pauline's dedication to Northern Cemeteries and the broader cemetery industry has left an enduring impact. Pauline's focus on customer service and the unique perspective of the families we serve was a hallmark of her success. We thank her for immense contribution and wish her the very best for the future.

We could not have weathered the challenges and changes of the last 12 months without the ongoing commitment of our staff and the leadership of our executive, managers, team leaders and coordinators. The professionalism and adaptability of the Northern Cemeteries team has enabled us to continue to serve our valued customers during these difficult times.



David Ham
Acting CEO
Northern Cemeteries

Northern Cemeteries Organisational Snapshot



137 
Total hectares of
cemetery land

153 
Age of
our oldest
cemetery

1877 
Year of first burial



Highlights



Business Growth

- Achieved 30% increase in cremations and 31% increase in chapel services over FY2020
- Grew revenue and operating surplus in a challenging environment
- Investment performance continued its strong performance



Meeting Community Needs

- Expanded our offering of online events and saw significant increase in webcasting of funerals
- Established new social media vision and strategy to improve community engagement
- Introduced new ash memorialisation products to increase options for families.



Business Transformation and Change

- Launched ELMO HR information system and employee portal
- Adopted CovidSafe measures supported by technology to protect health and safety of staff and customers at all sites
- Updated our Employee Handbook to reflect the current National Employment Standards, Enterprise Agreement, and Northern Cemeteries operating environment
- Implemented digital automation to improve efficiency of bookings
- Commenced transition to OneCrown operating model

2205 
Chapel services

1883 
Web stream services

24 
Number of cultural
& religious groups
served

1529 
Bodily interments

979 
Monumental
permits processed

870 
Ash interments

1984 
Interment licenses sold

2711 
Cremations



Grants and Stimulus Funding

- A grant from Crown Reserves Improvement Fund was received for carriageway turfing at Gore Hill and restoration of the historic chapel at Sandgate
- Crown cemetery stimulus funding grant was used to address health and safety risks and improve infrastructure at Frenchs Forest, Macquarie Park, Field of Mars and Gore Hill



Awards and Innovation

- Northern Cemeteries was awarded the Most Trusted Funeral Services Provider - New South Wales (Australian Enterprise Awards)
- Northern Cemeteries was placed 9th in the Australian Financial Review's Most Innovative Companies List for 2020.
- Northern Cemeteries has partnered with Carbon Neutral, an Australian market leader in carbon management services, to introduce carbon offsetting for all cremations.



Developments and Planning for the Future

- The Sacred Crypts of Our Lady at Field of Mars Cemetery were finalised in February 2021 featuring four levels, accommodating 80 double and 64 single crypts.
- New Mausoleum of the Holy Way at Macquarie Park commenced construction in September 2020 and is due for completion in early 2022.
- Upgrades were made to the amenities blocks and the Chapels at Macquarie Park and we opened a new Jewish section.
- Landscape Master Plans for Macquarie Park, Frenchs Forest and Ebenezer and draft Plans of Management for Macquarie Park and Frenchs Forest were also prepared.
- Frenchs Forest now has a new natural burial areas as well as a memorial to the Armenian genocide. The Development Application for a new chapel at Frenchs Forest was also approved.

1

Strategic Imperative

Understanding Community Needs

Understanding our families' needs and developing products and services that meet those needs

Northern Cemeteries works as part of our local communities to deliver responsive, customer focused services and plan together for future needs.

APAC Award Winner

Northern Cemeteries has been recognised for being the most trusted funeral services provider in New South Wales as part of the APAC Insider Australian Enterprise Awards 2021.

All winners within the Australian Enterprise Awards are commended purely on merit; APAC Insider takes pride in discovering what makes each business stand out from its competition. They consider an organisation's achievements over the past 12 months, as well as its' reputation amongst its' peers and, most importantly, the company's presence within the market.

Quality Crypts Serving Catholic Community

In February 2021 the Sacred Crypts of Our Lady at Field of Mars Cemetery were completed. Named in honour of the Blessed Virgin Mary, Sacred Crypts of Our Lady features four levels, accommodating 80 double and 64 single crypts.

Northern Cemeteries commissioned Arciuli Monumental Building to construct the new memorial with all crypts engineered, built and maintained to the highest standards.

The Sacred Crypts of Our Lady were officially consecrated by Father Greg Morgan of Ryde Gladesville Catholic Parish.

New Mausoleum of the Holy Way at Macquarie Park

In early September 2020 construction began on a new mausoleum at Macquarie Park and is due for completion in early 2022. The Mausoleum of The Holy Way will stand as an impressive semi-open structure built on undeveloped land adjacent to the Stations of the Cross area, in the Catholic section.

Designed as a semiopen space to complement the surrounding area, the building will provide a sanctuary for remembrance, worship, and quiet reflection. Its design complements existing surrounds and provides a sanctuary for remembrance, worship, and quiet reflection.





Features include:

- 660 above ground crypts with natural stone faces;
- Five distinct family vaults, each providing 12 crypt spaces;
- Various columbaria spaces for ash interments;
- Courtyard and water features at the entrance of the complex;
- New landscaping including a separate reflection garden;
- New amenities block.

High ceiling levels and use of stone and other natural finishes will give the building a high quality and sustainable feel. Artistic elements include integration with the existing Stations of the Cross statues as well as spaces for display of artworks.

New burial area on offer for the community

Works commenced in May 2021 to increase burial capacity by modifying some existing underused roadways at Macquarie Park. Now completed, these works offer new lawn graves and improve the general amenity and attractiveness of cemetery grounds at Macquarie Park for the community.

The Importance of Ash Memorialisation

Resting places remain long after funeral services are over, which is why making the right choice matters. Northern Cemeteries offers a wide range of options for ash memorialisation. If families prefer to scatter their loved one's ashes, Northern Cemeteries offers a memorial plaque option, situated in the beautiful gardens. This option provides a special place to visit and a digital record for future genealogy study.

If ashes are preferred to be buried at a cemetery, choosing the right location is important for families and generations to come. At Northern Cemeteries we serve all religious and cultural requirements and cater to all needs.

A recent addition to our Macquarie Park site is Rockery of Reflection, a beautiful garden path of succulents and colourful wildflowers. The memorial rocks allow for above ground interment and have the capacity to hold one or two sets of ashes as well as special tributes or trinkets.

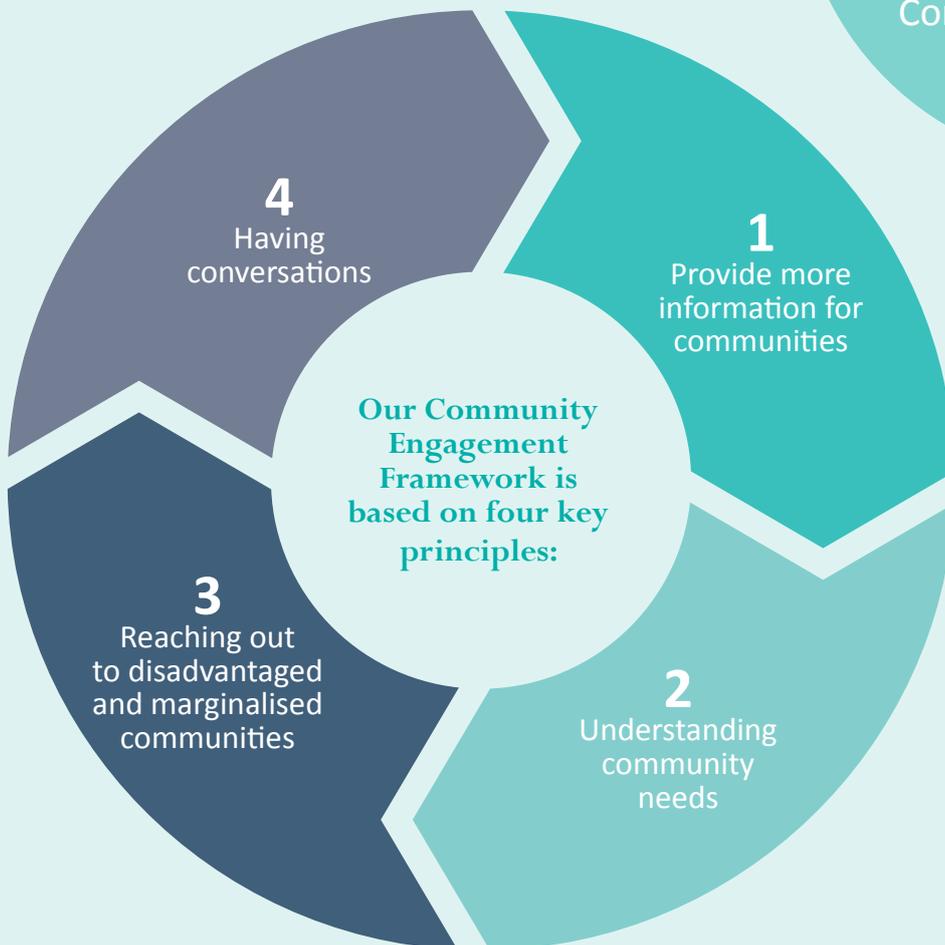
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Strategic Imperative

Community Engagement/ Client Experience



Northern Cemeteries will continue to foster relationships by actively engaging with our many stakeholders and embracing the strategies within our Community Engagement Framework.





Events helped us connect and contribute during COVID

Despite experiencing lockdowns and social distancing during 2021, Northern Cemeteries was able to deliver on two of its important community engagement programs – History Walking Tours and Rest Assured webinar series.

The popular **History Walking Tours** at Macquarie Park Cemetery and Crematorium were led by experienced cemetery enthusiast and tour guide Tom Sweeney who is well known for his passion and commitment in sharing these extraordinary tales. Fascinating stories behind the people who helped shape Australia came to life during the first history walk in February.

In March, the tour helped celebrate International Women's Day by showcasing the achievements of four influential women. The lives of novelist 'Ethel Turner' Ethel Sibyl Curlewis, filmmaker 'Elsa' Elise May Chauvel OBE, Flora Hannah MacKillop (Mary MacKillop's mother) and suffragette Adela Constantia Mary Pankhurst-Walsh were remembered.

Participants celebrated **NSW Seniors Festival** by discovering the stories behind some of Australia's most noteworthy seniors during April.

To support national **Men's Health Week**, June's tour revealed the serious medical issues of four high profile Australians interned at Macquarie Park.

Back by popular demand following Sydney's lockdown period, mysteries and tragic tales were revealed at the November tour about 'Lottie Lyell' Charlotte Edith Cox (silent film actor), Graeme Thorne (kidnapped and murdered child), Flora MacKillop (Saint Mary MacKillop's mother) and 'Johnny' John Michael O'Keefe (rock n' roll legend).

The **Rest Assured** webinar series is a joint partnership project between Northern Cemeteries and Newcastle Compassionate Community. The program aims to provide a safe and supportive online environment for people to discuss sensitive issues around end of life planning, death and dying, grief and loss.

The first was "Dying to talk – who do you call for support?" presented by Newcastle Compassionate Community advocates Jeanette Lacey (Chair) and Ruth Boydell. Jeanette is an End of Life Care Nurse Practitioner, Medicine and Interventional Services at John Hunter Hospital, and Ruth is a well-known end of life educator and doula who is passionate about planning 'a good death'.

Highly respected Indigenous cultural advisor and advocate Susan Moylan-Coombs shared important insights around the "sacred circle of life, our humanity". Susan is CEO and founder of the Gaimaragal Group and outlined how First Nations People practise ceremony to honour birth, life, death and the afterlife in April when she presented "Rituals around death and dying – Indigenous and cultural perspectives".

June's event covered available options, steps and resources when planning a funeral, while the important work and services provided by doulas were explored during August.

Experienced genealogist and member of the Association of Professional Genealogists Doug Morrison-Cleary helped wrap up the popular series presenting "How to Discover Your Ancestry" in October. Doug explained how interpreting DNA and using social media have created a wealth of information confirming familial relationships, connections between distant ancestors sharing names and even skeletons in closets.



Clean Up Australia Day

Northern Cemeteries hosted Clean Up Australia Day (CUAD) at Gore Hill Cemetery on Sunday 7 March. CUAD inspires and empowers communities to clean up, fix up and conserve our environment, with 16 volunteers attending the Friends of Gore Hill Cemetery event. Thank you to those who gave their time to preserve Gore Hill Memorial Cemetery, one of the oldest and largest remaining cemeteries in metropolitan Sydney.

Armenian Monument to remember souls lost

Northern Cemeteries commissioned a unique monument at Frenchs Forest Bushland Cemetery that pays tribute to the memory of the Armenian souls lost. We are proud to be able to offer our Armenian community an eternal place of commemoration where they can gather, remember and pay respect to the victims of the past.

The base of the monument, made of stone, represents the Armenian historic culture and knowledge, as a tree rooted in the earth where the Armenians of the past rest. Portrayed in the break of the stone is the Armenian Genocide of 1915, an event which defines the identity of all Armenians today and is where the culture was on the brink of coming to a halt. Out of the trunk blossoms the continuation of this culture in a new form, no longer in stone but in bronze. It is a new culture, augmented by the past and flowering in a home gift by sea, where it will continue to be nourished by those who use their lives to cultivate it.

Giving back to the community

Northern Cemeteries is committed to giving back to the communities we operate within. During 2020/21, Northern Cemeteries nominated four charities to receive an equal share of \$42,740 as donated funds. The funds were in-lieu of management fees claimable by NMCLM's fund manager for investment holdings in Future Generation Global Investment (FGG) and Future Generation Investment (FGX) and had no impact on Northern Cemeteries' investments.

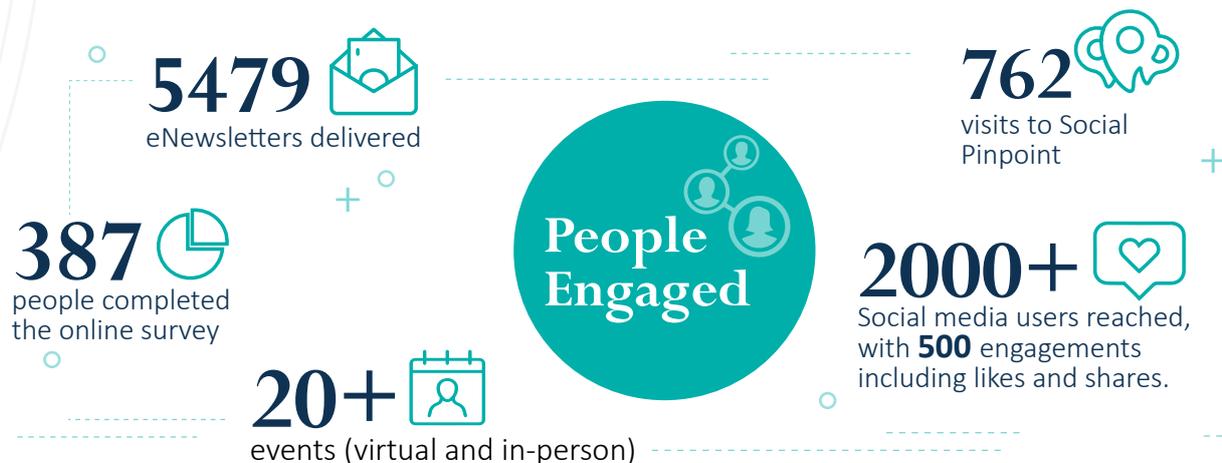
New RAAF Bronze Statue Unveiled

At the Northern Cemeteries Remembrance Day Service on Thursday 5 November a new bronze RAAF Servicemen statue was unveiled at the RSL Site at Macquarie Park Cemetery and Crematorium. The event, co-hosted by the North Ryde RSL Sub Branch, was attended by 60 people, including Retired RAAF SQNLDR Les Osborne and Dr John Hewson AM, Chair of the Northern Cemeteries Board. The statue is in honour of those whose lives were lost in service for this country.

Podcast Channel launched

In May 2021, Northern Cemeteries announced the release of our first Podcast Channel 'Starting the Conversation'. Starting the Conversation approaches the subject of preparing for end of life, as well as celebrating history, culture, and life.

How did we go?



Grants and Sponsorships

Northern Cemeteries benefited from NSW Government funding from two grant programs this year:

Funding source	Program name	Purpose	Funds received
Department of Planning, Industry and Environment	NSW Crown Cemetery WHS Stimulus Funding Program	Address health and safety risks and improve infrastructure of Crown Cemetery sites	\$1,000,515
Department of Planning, Industry and Environment	Crown Reserve Improvement Fund (CRIF)	Support for the development, maintenance and protection of Crown reserves	\$377,879



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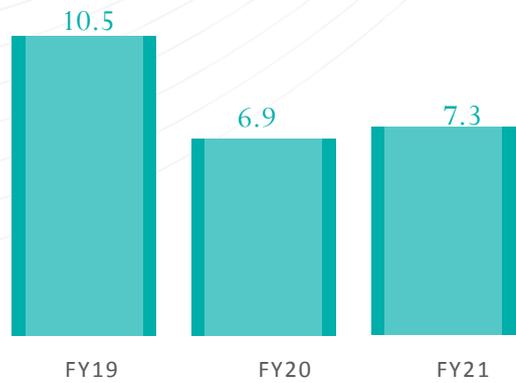
Strategic Imperative

Strong financial performance

Revenue (\$m)

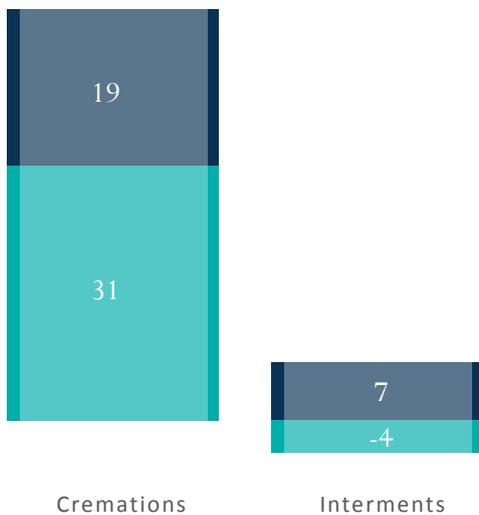


Results from operations (\$m)



Y-O-Y Activity Growth (%)

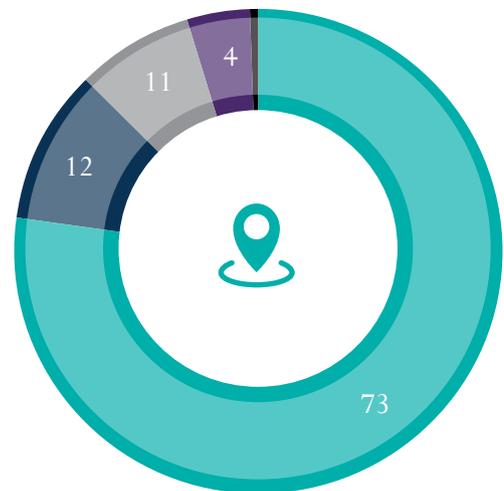
2021 2020



FY 20 Revenue Contribution

by location (%)

Macquarie Park Frenchs Forest
Field of Mars Sandgate



Full Financial Statements and Auditor's Report on p24

4

Strategic Imperative

Northern Cemeteries will focus on our most important asset – our people, creating an inspired workplace for inspired people.

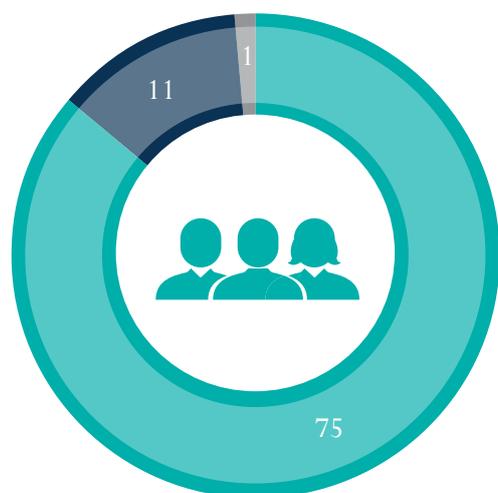
Our People and Culture



Our People Snapshot*

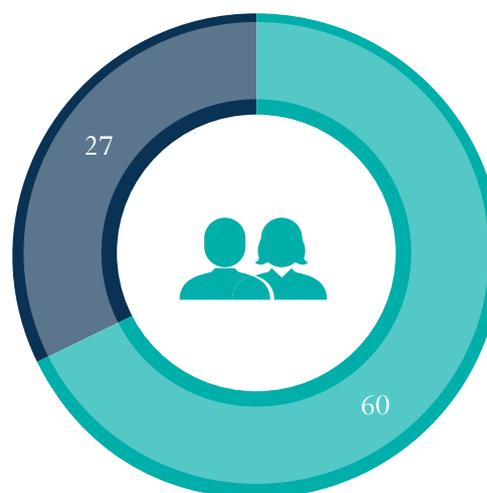
Our Workforce

■ Full-time ■ Part-time ■ Casual



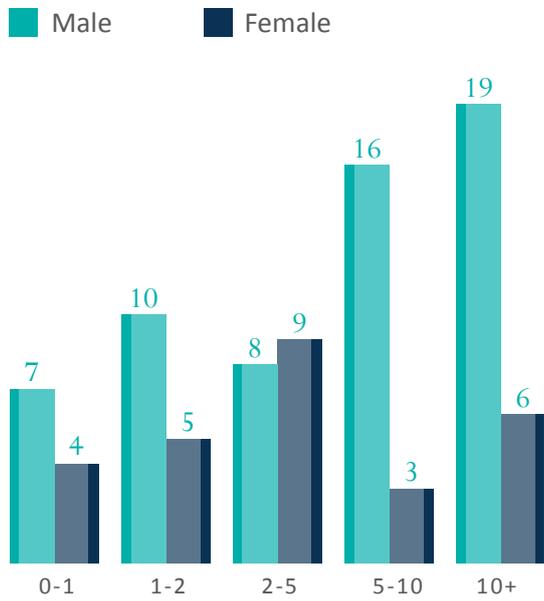
Gender Diversity (%)

■ Male ■ Female

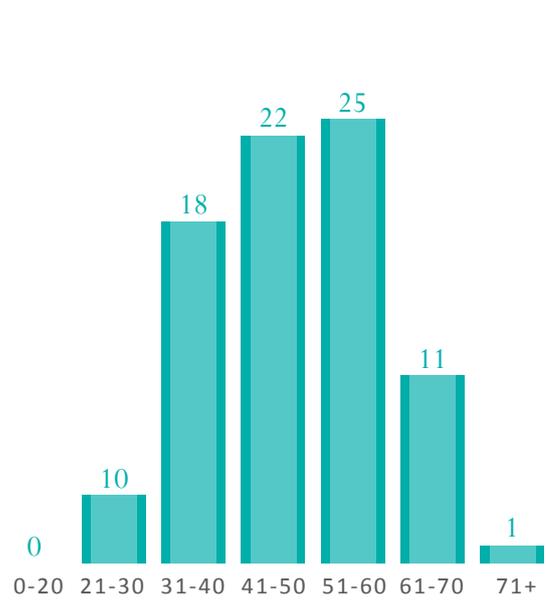


*All figures are approximate as at 30 June 2021.

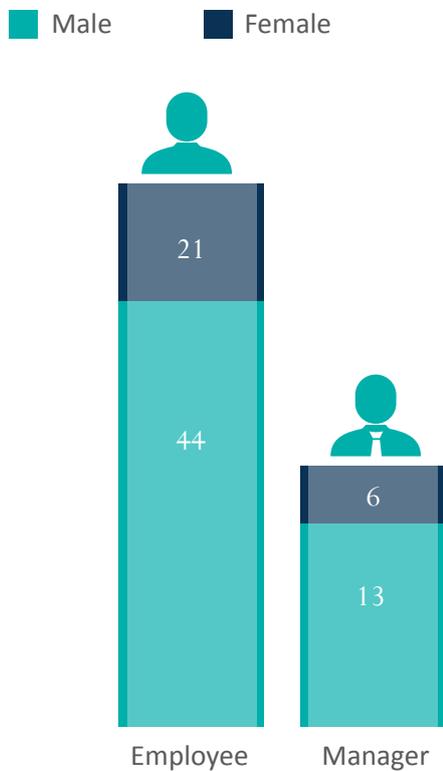
Employee Tenure (Year)



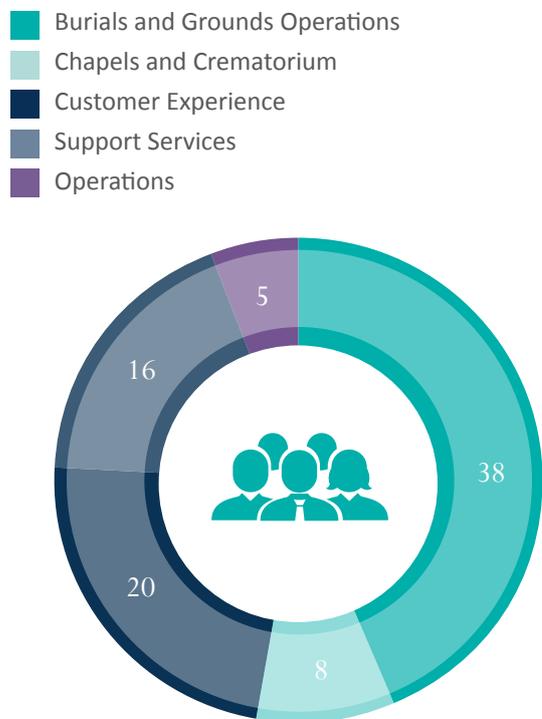
Age Distribution



Employees vs Managers



Employees By Department



Launch of new Workforce Management System - ELMO

Northern Cemeteries launched a new a Workforce Management system, ELMO. This system allows users to fulfil daily administrative HR processes through the cloud-based portal.

With the launch of ELMO, staff at Northern Cemeteries now have access to key information and daily administrative processes related to their employment, such as submitting leave requests, team announcements and updates, and accessing e-learning courses. In this way ELMO has helped streamline approval processes and improve communication flow for common HR transactions.

Learning and Development

Staff at Northern Cemeteries had several learning and retraining/refresher opportunities to participate in; ranging from role-based and technical training to organisational and compliance topics.

Learning opportunities were delivered through our workforce management system ELMO, including face-to-face group workshop seminars and virtual sessions. Topics covered health and safety, equal employment opportunity, talent management, information technology and administrative upskilling.

Safety Always a Priority

Safety remains a priority for Northern Cemeteries, with WHS Toolbox tips featuring regularly in our staff newsletters and regular training opportunities provided. More than 30 Team members across all departments received important WHS training, covering topics such as first aid, fire safety and various machinery operation training. All staff also had the opportunity to participate in fire safety training during FY2021.

Adaptions to COVID-19 20/21

Throughout this year, like many businesses, Northern Cemeteries had to remain agile and prepared for increases in active COVID-19 cases. Our leaders met regularly to assess the risks that our staff and community members were presented with in our environments and continuously monitored the NSW Public Health advice. Covid safe measures were maintained and adapted as necessary in compliance with changing Government health settings. Our priority throughout the pandemic continued to be ensuring ongoing delivery of funeral and support services to families and the community.

With increase in Delta variant case numbers from May, our leaders focused on Health, Wellbeing and Safety for our workforce with the launch of our Health and Wellness program for all staff to participate in, on top of current measures of physical distancing, hand hygiene and regular reinforcing communications. This helped to maintain engagement of staff, both for those working from home and those working in separated teams. There has been a high level of vaccination take up amongst staff, increasing throughout the year as vaccine supply improved.

Supporting our Team Through Transition

Our Human Resources Team has played a key support role in a process to ensure staff are consulted and engaged while a new OneCrown organisation structure and culture is developed. The change management program will continue in to 2022.

5

Strategic Imperative

Operational Excellence

21st Century IT
Provide the highest standard in business continuity.

Work Health Safety and Environment

WHSE and the environment are our Number 1 priority and our policies and procedures reflect this commitment. We work towards a safe and incident free workplace for all staff and visitors.

Award Winning Innovation

Northern Cemeteries was named one of the top 10 not-for-profit innovators out of 600 organisations across Australia and New Zealand.

Northern Cemeteries was recognised by The Australian Financial Review and Boss Magazine for our customer service pivot to provide Virtual Funeral Services during strict COVID-19 gathering controls.

Northern Cemeteries responded to how social isolation may add further distress to those who had lost a family member or friend. Offering webcast funeral services proved so important to supporting the grieving process.

Our Sustainability Commitment

Northern Cemeteries has partnered with Carbon Neutral, an Australian market leader in carbon management services, to introduce carbon offsetting for all cremations. This means that all carbon generated by the natural gas cremation process in our crematorium is offset through the purchase of carbon credits. The carbon credits come from a verified Australian source, Australian Native-Reforestation Yarra Yarra Biodiversity Corridor, which plants trees and shrubs to restore natural eco-systems.

In the first year of signing up to the scheme, we expect to offset approximately 120 tonnes of carbon. As environmental sustainability becomes increasingly important for cemetery operators, this is just one of the ways in which we are working to minimise our impact on the environment. Other key initiatives to improve environmental sustainability this year include:

- Developed a new natural burial section at Frenchs Forest Bushland Cemetery
- Increased sales of living legacy memorial trees
- Rationalised our waste services and increased take up of recycling
- Replaced septic system at Macquarie Park with mainline main line sewer connection
- Renegotiated supplier agreements for gas and electricity
- Ensured all new developments include environmental sustainability measures
- Included new plantings in all new developments, preferencing drought resistant and native species
- Prioritised environmental sustainability in developing plans of management for Macquarie Park and Frenchs Forest.



Governance

Governance

Northern Cemeteries would like to thank our Board members whose term expired on 29 November 2020 and acknowledge the outstanding list of achievements under their leadership.

About the Transition to OneCrown

The NSW Government Statutory Review of the cemetery sector in 2020 found it is not efficient to have five separate Crown cemetery organisations offering varying levels of cost efficiency to consumers; independently developing new cemetery land; and not planning adequately for future maintenance needs.

The Statutory Review recommended consolidating Sydney's Crown cemetery operators to form a single operator, to be known as OneCrown. OneCrown's vision is to secure the sector's viability and strategically address the need for more cemetery space, while delivering affordable, equitable and dignified end-of-life interment options for all communities and faith groups.

In May 2021, Lee Shearer was appointed Administrator of OneCrown Cemeteries. OneCrown Cemeteries will oversee 1,000 acres of Crown Land and brings together Northern Cemeteries, Rookwood General Cemetery and Southern Metropolitan Cemeteries, who together perform more than 68 per cent of Sydney's burials and about 27 per cent of cremations.

Northern Cemeteries is working closely with the Administrator, the OneCrown team and all our stakeholders to support a smooth transition to an efficient OneCrown operating model and ensure the ongoing delivery of respectful and dignified services and memorialisation to the community in all its diversity. David Ham, Northern Cemeteries' Chief Operating Officer, has been appointed Acting CEO during this transition period.



Lee Shearer

Former NSW Assistant Police Commissioner Lee has decades of experience working closely with communities in regional NSW and Sydney. For the past decade, Lee has worked with a diverse range of industry and community stakeholders to improve the delivery of important community services including:

- Delivering reform to NSW Fair Trading
- As Chief Compliance Officer building and operating the NSW Government Resources Regulator
- Appointment as Co-ordinator General of the Central Coast to improve planning outcomes for the Region
- Conducting an extensive independent review into the riots at Frank Baxter Juvenile Detention Centre
- Appointed as Local recovery co-ordinator for the Wamberal Beach erosion
- Working as Chief Operations Officer and Chief Executive Officer at Darkinjung Local Aboriginal Land Council

Meetings of the Board and Committees

July 2020 – June 2021

The term of the Northern Metropolitan Cemeteries Land Manager (NMCLM) Board expired on 29 November 2020, at which time the delegation of Board responsibilities reverted to the Honourable Melinda Pavey MP, Minister for Water, Property and Housing. As an interim measure pending the outcome of the statutory review of the Cemeteries and Crematoria Act 2013, the Minister appointed Melanie Hawyes, Deputy Secretary, NSW Crown Lands in the Department of Industry, Planning and Environment, as her delegate with responsibility to manage the affairs of NMCLM. In May 2021, the Minister appointed Lee Shearer as Administrator of NMCLM, Rookwood Necropolis Land Manager (RNLM), Southern Metropolitan Cemeteries Land Manager (SMCLM), and Rookwood General Cemeteries Reserve Land Manager (RGCRLM) from 28 May 2021. Administrator meetings replaced Board meetings from June 2021.

Board Members	Board Meetings		Audit and Risk Committee		Community Advisory Committee		Finance Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Dr John Hewson AM*	11	11	2	1			2	1
Ms Leah Fricke*	11	11	2	2				
Ms Kris Hume*	11	11			3	3		
Mr David Johnson*	11	11			3	3	2	2
Mr John McCarthy AO*	11	11	2	1			2	2
Mr Peter Owens*	11	11			3	3		
Ms Lee Shearer (Administrator)**	1	1						

* Term expired on 29 November 2020.

** Appointed as Administrator on 28th May 2021.



Farewell to Pauline Tritton, CEO

We extend our heartfelt gratitude and very best wishes to Pauline Tritton, who is leaving us after 23 years of distinguished service. Pauline joined Northern Cemeteries in an administration role in 1998 before rising through the ranks to become CEO. During the past 20 years, Pauline has made an immense contribution, successfully leading the organisation through significant change and growth. Pauline's dedication to Northern Cemeteries and the broader cemetery industry has left an enduring impact. We thank her for immense contribution and wish her the very best for the future. From everyone here, we sincerely thank Pauline for her dedicated service to Northern Cemeteries and involvement with the broader cemetery industry and sector.

Our Board



Dr John R. Hewson AM

John is a former Australian politician who served as Leader of the Liberal Party from 1990 to 1994. He has a doctorate in economics from Johns Hopkins University, and also has degrees from the University of Sydney and the University of Regina. Before entering politics, Hewson worked for periods as an economist for the Reserve Bank of Australia, as an economic advisor to the Fraser Government, as a business journalist, and as a director of the Macquarie Bank.

John has written extensively for the business and general press, and spent time on the lecture circuit. In his writings he demonstrated an increasing focus on corporate social and environmental responsibility.

His work on climate change and sustainability includes his 1993 Fightback policy promising a 20% cut in emissions by 2000, off a 1990 base, as well as positions on various committees and expert panels focused on environmental policies.



Mr John V. McCarthy AO

John V. McCarthy is widely recognised as a multi-faceted industry leader. John has a wide breadth of experience in senior management and corporate governance.

John enjoys a close working relationship with major banks, superannuation funds, institutional investors, financiers and senior professionals and analysts, as well as numerous industry bodies. John's professional roles have included CEO of ANZ Property Investment and Advisory Services and Colonial Mutual Properties. He is the former Managing Director of Tasman Properties and former National President of the Property Council of Australia.

In 2009 John was awarded the Order of Australia for service to the property and construction industries, particularly through leadership roles in peak bodies, and through promotion of co-operation, research and innovation.



Ms Leah Fricke

Leah Fricke is a non-executive director and has worked as a senior executive in both private and public companies including a number of listed companies. Leah's current board portfolio includes organisations in health, technology, financial services, retail and infrastructure.

Leah's experience in a diverse range of industries and with a number of boards during her executive career has provided her with valuable knowledge and insight to make her a highly effective board member.

In addition to her work as a director Leah consults in the area of governance (board processes, relationships and performance) and presents at conferences on governance and collaborative decision making. Leah has facilitated several governance courses for Governance Institute of Australia, the Australian Institute of Management and Australian Catholic University.



Ms Kris Hume

Kris Hume is a professional non-executive director (NED). She has worked as an executive and consultant with boards in non-for-profit organisations which attests to wide exposure to boards, their role and practice of directorship.

Known for her collaborative style, Kris brings an understanding and empathy about disadvantaged and diverse communities through her work in health, community and primary health, disability and human services industries. This is balanced with her commercial experience working with several multinational corporates.

Kris brings knowledge and expertise in governance of NFP organisations and is a Graduate of the Australian Institute of Company Directors (GAICD) and has an MBA (MGSM).

Kris has a broad set of skills and her philosophy is to collaborate for transformational change, innovation and value-added services that are informed by the community, for the community.



Mr David Johnson

David Johnson is a qualified geologist and environmental scientist, and an experienced community consultation, mediation and stakeholder liaison practitioner. He has over 30 years' experience in the environmental consulting field in Australia and joined the Northern Cemeteries Board in 2015.

David was a Member (Commissioner) of the NSW Government's Planning Assessment Commission (PAC) advising on environmental science and planning, pollution control and waste management. David also lectured in environmental science, at the Australian Catholic University.

David is a specialist in environmental planning, project determination and community consultation. David has specialist expertise in the following areas: environmental impact assessment, environmental planning, pollution control (air & water), contaminated land investigation and remediation, acoustic assessment and control, waste management and hazardous waste assessment.



Mr Peter Owens

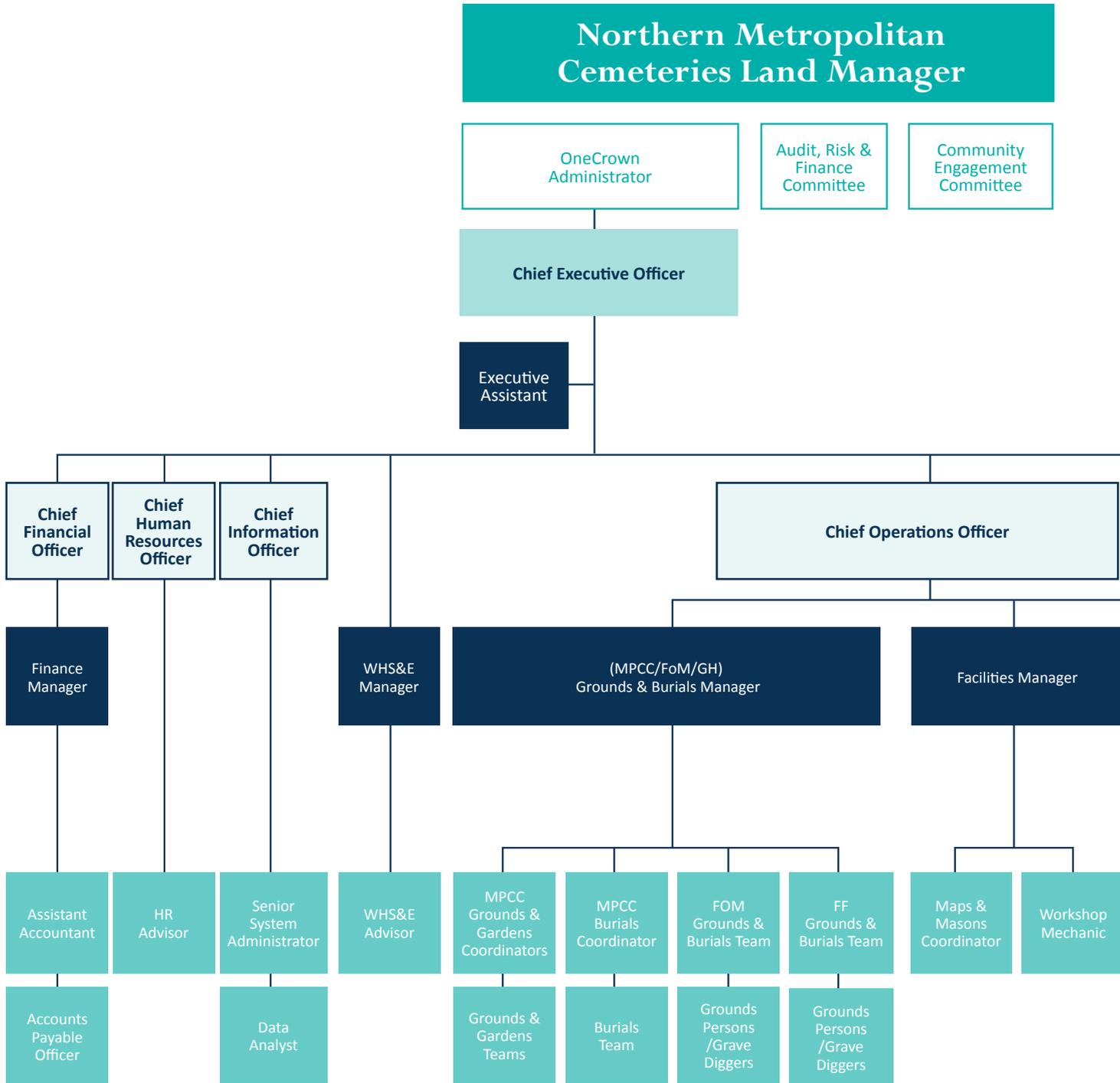
Peter has practised as a Solicitor in Newcastle since 1980 and has significant experience in residential and commercial real estate as well as estate planning and administration.

Peter has a long tradition of serving the Northern Cemeteries community, serving on the Sandgate Cemetery Trust Board from 1988 – 2014, including 10 years as Chair. He has significant experience of cemetery operations as well as understanding the legal framework involving cemeteries and Crown Reserve Trusts in New South Wales.

Peter's involvement in the community also includes being a Member of Inner City Region Finance Council for Inner City Catholic Parishes in Newcastle, former Chair of the Diocesan Pastoral Council for Roman Catholic Diocese of Maitland/Newcastle as well as past Chair of Appeals Committee for the Newcastle District Cricket Association.

Organisational Structure

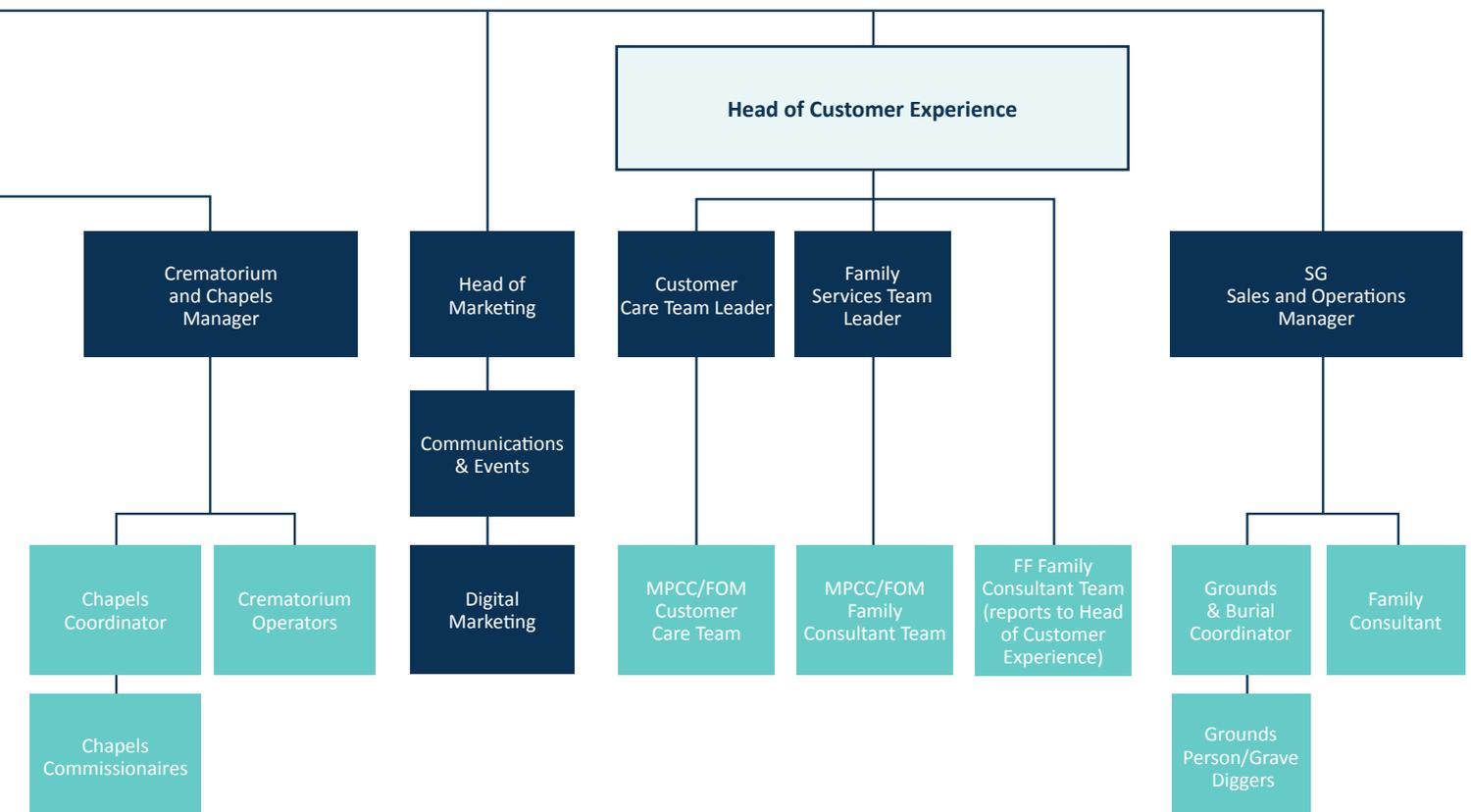
at 30 June 2021



Legend



FF – Frenchs Forest Bushland Cemetery, Davidson
 FoM – Field of Mars Cemetery, Ryde
 GH – Gore Hill Cemetery, St Leonards
 MPCC – Macquarie Park Cemetery & Crematorium, North Ryde
 SG – Sandgate Cemetery, Newcastle





Financial Report



Northern Cemeteries
Always

Northern Cemeteries | Head Office

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North Ryde NSW 2113
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nmclm.com.au
ABN 33 874 656 026

Director, Financial Audit
Audit Office of New South Wales
GPO Box 12
Sydney, NSW, 2001

8 November 2021

Representation Letter by Those Charged with Governance Northern Metropolitan Cemeteries Land Manager

We provide this representation letter in connection with your audit of the financial statements of Northern Metropolitan Cemeteries Land Manager (the Trust) for the year ended 30 June 2021, so you can express an opinion on whether the financial statements:

- have been prepared in accordance with the Australian Accounting Standards to the extent described in Note 1, the relevant requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 and the Treasurer's Directions issued under the GSF act
- present fairly the Trust's financial position, financial performance and cash flows.

We confirm, to the best of our knowledge and belief, having made enquiries we considered necessary to inform ourselves, the following representations made to you during your audit.

We have fulfilled our responsibilities, as set out in the Annual Engagement Plan dated 27 October 2021, for the preparation the financial statements in accordance with Australian Accounting Standards, the GSF Act. We believe, in all material respects, the financial statements give a true and fair view in accordance with these requirements.

We believe, in all material respects, actions taken by the Trust in response to COVID-19 or other crises (including natural disasters), and their impacts, are appropriately reflected in the financial statements.

We have provided you with all relevant information and access as agreed in the terms of audit engagement.

Having considered the written representations made to you by the Chief Executive Officer and the Chief Financial Officer on 8 November 2021 in connection with your audit of the financial statements of the Trust, there are no matters which would cause us to believe that those written representations are not accurate.

We are not aware of any other matters that have not been communicated to you that are relevant to the recording of transactions and the preparation of the financial statements.

Lee Shearer

Lee Shearer
Administrator

K O'Regan

Katherine O'Regan
Chair of the Audit Risk & Finance Committee

Macquarie Park
North Ryde

Frenchs Forest
Davidson

Field of Mars
Ryde

Gore Hill
St Leonards

Sandgate
Newcastle

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

**Trading as
Northern Cemeteries**

**Trading at
Macquarie Park Cemetery & Crematorium
Frenchs Forest Bushland Cemetery
Field of Mars Cemetery
Gore Hill Memorial Cemetery
Sandgate Cemetery**

Financial Statements For the Year

Ended 30 June 2021

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Contents

For the Year Ended 30 June 2021

	Page
Financial Statements	
Statement by Accountable Authority	28
Statement of Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to the Financial Statements	33
Independent Auditor's Report	58



Northern Cemeteries
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ABN 33 874 656 026

Statement by the Accountable Authority

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'), I state that these financial statements:

- 1) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- 2) present fairly Northern Metropolitan Cemeteries Land Manager's financial position, financial performance and cash flows.

Signed: *Lee Shearer*

Name: Lee Shearer
Title: Administrator

Date: 8 November 2021

Macquarie Park
North Ryde

Frenchs Forest
Davidson

Field of Mars
Ryde

Gore Hill
St Leonards

Sandgate
Newcastle

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Notes	30 June 2021 \$'000	30 June 2020 \$'000
Continuing Operations			
Expenses excluding losses			
Employee-related expenses	2 (a)	(7,973)	(7,497)
Operating expenses	2 (b)	(11,038)	(10,418)
Depreciation and amortisation	2 (c)	(2,740)	(2,782)
Total expenses excluding losses		<u>(21,751)</u>	<u>(20,697)</u>
Revenue			
Sale of goods and services from contracts with customers	3 (a)	24,342	23,833
Investment revenue	3 (b)	3,814	3,836
Grants and other contributions	3 (c)	910	-
Total revenue		<u>29,066</u>	<u>27,669</u>
Operating result		7,315	6,972
Gains / (losses) on disposal	4	14	(88)
Net result from continuing operations		7,329	6,884
Other comprehensive income			
Changes in revaluation surplus of property, plant and equipment		-	(12,841)
Net gains / (losses) on financial assets at fair value through other comprehensive income		5,895	(3,095)
Total other comprehensive income / (loss)		5,895	(15,936)
TOTAL COMPREHENSIVE INCOME		13,224	(9,052)

The notes on pages 33 to 57 are an integral part of these financial statements.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 \$'000	30 June 2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,724	7,048
Receivables	6	1,091	1,182
Inventories	7	3,710	2,418
Financial assets at fair value	8	3,574	1,774
Total Current Assets		14,099	12,422
Non-Current Assets			
Financial assets at fair value	8	108,086	97,545
Inventories	7	8,586	7,921
Property, plant and equipment			
- Land and buildings		68,658	71,265
- Plant and equipment		3,302	3,493
- Infrastructure systems		12,608	3,358
Total property, plant, and equipment	9	84,568	78,116
Right-of-use assets	10 (a)	160	204
Total Non-Current Assets		201,400	183,786
Total Assets		215,499	196,208
Current Liabilities			
Payables	11	2,975	2,480
Contract liabilities	13	5,546	3,493
Provisions	12	1,388	1,151
Lease liabilities	10 (b)	98	58
Total Current Liabilities		10,007	7,182
Non-Current Liabilities			
Contract liabilities	13	38,236	34,696
Provisions	12	711	927
Lease liabilities	10 (b)	66	148
Total Non-Current Liabilities		39,013	35,771
Total Liabilities		49,020	42,953
Net Assets		166,479	153,255
Equity			
Accumulated surplus funds	14	77,768	70,439
Asset revaluation reserve	14	30,762	30,762
Financial assets at FVOCI reserve	14	6,351	456
Other reserves	14	51,598	51,598
Total Accumulated Funds		166,479	153,255

The notes on pages 33 to 57 are an integral part of these financial statements.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Statement of Changes in Equity

For the Year Ended 30 June 2021

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 July 2020	70,439	30,762	456	51,598	153,255
Net result for the year	7,329	-	-	-	7,329
Other comprehensive income					
Net change in fair value of financial assets through other comprehensive income	-	-	5,895	-	5,895
Total other comprehensive income	-	-	5,895	-	5,895
Total comprehensive income for the year	7,329	-	5,895	-	13,224
Balance at 30 June 2021	77,768	30,762	6,351	51,598	166,479

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 July 2019	63,555	43,603	3,551	51,598	162,307
Net result for the year	6,884	-	-	-	6,884
Other comprehensive income					
Net change in revaluation surplus of property, plant and equipment	-	(12,841)	-	-	(12,841)
Net change in fair value of financial assets through other comprehensive income	-	-	(3,095)	-	(3,095)
Total other comprehensive income		(12,841)	(3,095)	-	(15,936)
Total comprehensive income for the year	6,884	(12,841)	(3,095)	-	(9,052)
Balance at 30 June 2020	70,439	30,762	456	51,598	153,255

The notes on pages 33 to 57 are an integral part of these financial statements.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Statement of Cash Flows

For the Year Ended 30 June 2021

	Notes	30 June 2021 \$'000	30 June 2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(7,736)	(7,259)
Suppliers for goods and services		(15,476)	(13,802)
Finance costs		(10)	(4)
Total Payments		(23,222)	(21,065)
Receipts			
Sale of goods and services		33,315	30,344
Interest received		5	6
Grants and other contributions		1,331	-
Total Receipts		34,651	30,350
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	16	11,429	9,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	320
Proceeds from distributions of financial assets		3,248	3,331
Purchase of property, plant and equipment		(9,496)	(8,407)
Reinvestment of term deposits on call to investment portfolio		(3,274)	-
Purchase of financial assets		(3,158)	(3,455)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(12,680)	(8,211)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(73)	(38)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(73)	(38)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents		7,048	6,012
CLOSING CASH AND CASH EQUIVALENTS	5	5,724	7,048

The notes on pages 33 to 57 are an integral part of these financial statements

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Statement of Significant Accounting Policies

a) Reporting entity

The Northern Metropolitan Cemeteries Land Manager (the "Trust") is a Crown Reserve Trust operating under Cemeteries and Crematoria Act 2013 (NSW).

The Trust is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Trust is primarily involved in the provision of burial, cremation and memorialisation services for the public.

As of 25 May 2021, the Trust became a NSW government entity operating under the Crown Land Management Act 2016 (NSW) and is controlled by the State of New South Wales, which is its ultimate parent. The Trust was a charity registered under ACNC Act until 28 May 2021 when its charity status was revoked

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Administrator on 8 November 2021.

b) Basis of preparation

The Trust's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Certain elements within property, plant and equipment, and financial assets are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entity's presentation and functional currency.

c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Accounting for the Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

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

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

The Trust has received advice that it is exempt from income tax as per the *Income Tax Assessment Act 1997*.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Statement of Significant Accounting Policies (Continued)

e) Comparative information

This is the first set of financial statements prepared under GSF Act following the changes in control as outlined in note 1 (a). Certain comparative amounts in the financial statements have been reclassified to conform with the current year's presentation. Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

f) Changes in accounting policies, including new or revised AAS

i) Effective for the first time in FY2020-21

The Trust applied AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard does not have a material impact on the financial statements of the Trust. Several other amendments and interpretations apply for the first time in FY2020-21, but do not have an impact on the financial statements of the Trust.

ii) New disclosure on standards issued but not effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The following new AAS have not been applied and are not effective. The possible impact of these in the period initial application is not expected to have a significant impact on the Trust's financial statements.

- Onerous contracts (Amendments to AASB 137)
- Interest rate benchmark reform (Amendments to AASB 9)
- Covid-19 related rent concessions (amendment to IFRS 16)
- Property, plant and equipment: proceeds before intended use (Amendment to IAS 16)
- Reference to conceptual framework (Amendments to IFRS 4)
- Classification of liabilities as current or non current (amendments to IAS 1)
- IFRS 17 Insurance contracts and amendments to IFRS 17 insurance contracts

g) Perpetual Care

There is a general expectation on the part of the public that the cemetery will be maintained in perpetuity. The Trust is currently accumulating reserves to provide for the future maintenance expenses of the cemetery. At this time the Trust is aware that there may be significant on-going cash outflows for future maintenance. The Trust has invested in good quality financial instruments which can generate enough investment returns to maintain the Cemetery into perpetuity. No liability has crystallized for future maintenance on the date of these financial statements, hence no additional liability is recognized on this account.

h) Impact of Covid-19 on financial reporting for 2020-21

The Coronavirus Covid-19 has had an impact on the Trust's operations and activities during the year due to Government imposed restrictions, and it is possible that it will be material to the Trust as the effects and consequences are outside the Trust control and are far reaching in Australia and globally. The impact of this matter has not had a significant impact on the recognition and measurement of assets and liabilities as at 30 June 2021. The Administrator believes that the Trust will remain a going concern and is adequately resourced to address future challenges presented by COVID-19.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Expenses excluding losses

2 (a) Employment related expenses

	2021 \$000	2020 \$000
Salary and wages	6,547	6,218
Superannuation entitlements	659	601
Workers Compensation Insurance	214	238
Employee leave entitlements	238	180
Other	315	260
TOTAL	7,973	7,497

2 (b) Operating expenses

	2021 \$000	2020 \$000
Auditor's remuneration - audit of financial statements	124	76
Cost of sales	5,446	5,157
Repairs and maintenance	1,368	686
Consultants	566	665
Flora maintenance	467	255
IT related costs	400	381
Insurance	260	176
Utilities	216	321
Brokerage fees	128	155
Other operating expenses	2,063	2,546
TOTAL	11,038	10,418

Repairs and maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The Trust obtains independent valuation for insurance reporting purposes, whilst also seeking independent insurance advice through an Insurance Broker. Our property assets are protected under an insurance policy and we have additional insurance cover for public and products liability, motor fleet, management, professional liability and personal accident and sickness liabilities.

2 (c) Depreciation and amortisation expenses

	2021 \$000	2020 \$000
Buildings	1,729	1,686
Plant & equipment	753	867
Infrastructure systems	192	194
Amortisation of right-of-use assets	66	35
TOTAL	2,740	2,782

Refer to note 9 for recognition and measurement policies on depreciation.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

3. Revenue

3 (a) Sales of Goods and Services

	2021	2020
	\$000	\$000
Sales of goods	18,799	18,987
Rendering of services	5,543	4,846
TOTAL	24,342	23,833

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Trust expects to be entitled in exchange for transferring goods or services to a customer. For each contract with customer, the Trust recognises revenue by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the separate performance obligations
5. Recognise revenue as each performance obligation is satisfied

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Recognition of the entity's main revenue streams is in line with the following:

- Burial licence revenue is recognised when the licence for the right to bury is issued to the customer, not when the right to bury is exercised.
- Interment activity revenue is recognised at the time the service is delivered.
- Other services revenue is recognised at the time the service is delivered.

3 (b) Investment revenue

	2021	2020
	\$000	\$000
Dividend income	3,248	3,331
Interest income	5	3
Rental Income	561	502
	3,814	3,836

Dividend and interest income

Dividend income is recognised on the date that the Trust's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date. Interest income is recognised as it accrues, using the effective interest method.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

3. Revenue (continued)

Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3 (c) Grants and other contributions

	2021	2020
	\$000	\$000
Grant income	910	-

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Trust is recognised when the Trust satisfies its obligations under the transfer. The Trust satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion. During the year, the Trust received government contributions from the NSW Government in relation to the Crown Cemetery WHS Stimulus Funding Program and the Crown Reserves Improvement Fund. The Trust satisfied its performance obligations when the projects were completed, and all funds expended by the end of the financial year in accordance with the requirements of the grant.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

4. Gain / (losses) on disposal

	2021	2020
	\$000	\$000
Net gain / (loss) on disposal of property, plant and equipment	14	(88)

5. Cash and cash equivalents

	2021	2020
	\$000	\$000
Cash at bank and on hand	5,724	3,774
Short term deposits	-	3,274
	5,724	7,048

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft

Refer to note 15 for details regarding credit risk and market risk arising from financial instruments.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

6. Receivables

	2021	2020
	\$000	\$000
Trade receivables from contracts with customers	734	619
Less: allowance for expected credit losses		
- Trade receivables from contracts with customers	-	(40)
Total expected credit losses	-	(40)
Prepayments	107	120
Investment income receivable	-	16
Other debtors	250	467
	1,091	1,182
Current trade receivables	532	211
Receivables aged one month	90	183
Receivables aged one to two months	95	142
Receivables aged three months and older	17	83
Total trade receivables	734	619
*Movement in the allowance for expected credit loss		
Balance as at 1 July	40	-
Amounts written off during the year	(7)	-
(Decrease) / increase in provision recognised in net result	(33)	40
	-	40

Recognition and measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

The Trust holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Trust recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Trust expects to receive, discounted at the original effective interest rate.

For trade receivables, the Trust applies a simplified approach in calculating ECLs. The Trust recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Refer to note 15 for details regarding credit risk and market risk arising from financial instruments.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

7. Inventories

	2021	2020
	\$000	\$000
Materials and goods for resale	41	41
Interment sites	4,459	2,079
Crypt, vault & mausoleum	612	1,185
Ashes sites & niches	3,147	1,131
Working in progress	4,037	5,903
TOTAL	12,296	10,339
Inventories - current	3,710	2,418
Inventories - non-current	8,586	7,921
	12,296	10,339

Inventories are measured at the lower of cost and net realisable value. The first-in first-out principle is used for cremation memorials and stone supplies.

The cost of inventories is based on the average cost for construction per unit for interment sites, crypts, vaults, mausoleums, ashes sites and niches. The cost is recognised in the income statement on the signing of an unconditional contract of sale and the issuance of a burial licence. Effective control of the site is passed to the buyer at this point. Cost of good sold is determined by reference to average cost of section development cost per unit of site within each section/area.

Works in progress are valued at the cost of materials and supplies utilised. As projects are relatively short-term in nature, costs are brought to account on completion and once accepted by the buyer.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

8. Financial assets

	2021	2020
	\$000	\$000
Current		
Cash deposits	3,574	-
Term deposits with a maturity greater than 3 months less than 12 months	-	1,774
Non-current		
Shares in listed equities & managed funds	108,086	97,545
TOTAL	111,660	99,319

Refer to note 15 for details regarding credit risk and market risk arising from financial instruments.

Notes to the Financial Statements

For the Year Ended 30 June 2021

8. Financial Instruments (continued)

Recognition and derecognition

Financial assets are recognised when the Trust becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Equity instruments at FVOCI

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Trust has irrevocably elected to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Financial assets - subsequent measurement and recognition of gains and losses

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income is recognized in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets at amortised cost may include cash and cash equivalents, which comprise cash on hand, call deposits with banks and other short term, highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value. They are used by the Trust in the management of its short-term commitments.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

8. Financial Instruments (continued)

Financial assets - subsequent measurement and recognition of gains and losses (continued)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in net results. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to net results and recognised in other gains/(losses).

The entity has elected to classify irrevocably its equity investments as designated at fair value through other comprehensive income, that would otherwise be measured at fair value through profit or loss. These equity investments meet the definition of equity instruments under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

The following investment have been designated at fair value through other comprehensive income:

- Shares in listed equities & managed funds

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income under 'investment revenue' when the right of payment has been established.

9. Property, plant and equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 30 June 2021 – fair value				
Gross carrying amount	70,805	8,625	17,136	96,566
Accumulated depreciation and impairment	(2,147)	(5,323)	(4,528)	(11,998)
Net carrying amount	68,658	3,302	12,608	84,568
At 1 July 2020 – fair value				
Gross carrying amount	69,043	8,523	9,874	87,440
Accumulated depreciation and impairment	(418)	(4,570)	(4,336)	(9,324)
Net carrying amount	68,625	3,953	5,538	78,116

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

9. Property, plant and equipment (continued)

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
Year ended 30 June 2021				
Net carrying amount at beginning of year	68,625	3,953	5,538	78,116
Additions / reclassification within PPE	1,762	104	7,630	9,496
Transfers to inventory	-	-	(368)	(368)
Disposals	-	(2)	-	(2)
Net revaluation decrements	-	-	-	-
Depreciation expense	(1,729)	(753)	(192)	(2,674)
Net carrying amount at end of year	68,658	3,302	12,608	84,568
Year ended 30 June 2020				
Net carrying amount at beginning of year	79,749	4,990	5,199	89,938
Additions / reclassification within PPE	2,958	683	4,766	8,407
Transfers to inventories	-	-	(4,233)	(4,233)
Disposals	-	(408)	-	(408)
Net revaluation decrements	(12,396)	(445)	-	(12,841)
Depreciation expense	(1,686)	(867)	(194)	(2,747)
Net carrying amount at end of year	68,625	3,953	5,538	78,116

(i) Recognition and measurement

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

Notes to the Financial Statements

For the Year Ended 30 June 2021

9. Property, plant and equipment (continued)

(i) Recognition and measurement ((continued))

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Trust conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique. Assets under construction are carried at cost and the Trust has assessed that any difference to fair value is unlikely to be material.

The last comprehensive revaluation was carried out as at 30 June 2020 by Opteon Property Group Pty Ltd. The valuation was determined by using a market approach for Land and a cost approach for Buildings and other infrastructure assets. The key input under the market approach was the price per square metre from current year sales of comparable lots of land in the area (location and size) as well as factored in discounting based on the utility and restriction of development of the cemetery land. The discount rates factored into the valuation ranged from 90%-91% based on location of cemetery and this was applied to the cemetery land that has been buried out given its utility is limited. The cost approach reflects the amount that would be required to replace the service capacity of the buildings and other infrastructure and the valuer considered physical deterioration and obsolescence of the buildings in arriving at the final valuation amount. All resulting fair value estimates for the land and buildings are included in level 3 fair value measurement.

Property, plant and equipment are recognised at fair value based on valuations performed every three years by external independent valuer's, less subsequent depreciation for buildings. A revaluation surplus is credited to asset revaluation reserves in equity.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The Trust has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) are recognised in profit or loss.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result. Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus. As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. The Crown Land designated to the Trust is recognised as an asset when the cemetery land is deemed to be under the control of the Trust.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

9. Property, plant and equipment (continued)

(ii) Subsequent costs and useful lives

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance are expensed as incurred.

Items of property, plant and equipment are depreciated on either the straight-line basis in the profit or loss or over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current of significant items of property, plant and equipment are as follows:

- Buildings 25 - 50 years
- Plant and equipment 1 - 20 years

Depreciation rates, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capitalisation thresholds

Property, plant and equipment costing \$1,000 and above individually (or forming part of a network costing more than \$1,000) are capitalised.

(ii) Impairment

Non-financial assets

At the end of each reporting period, the Trust reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Trust would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset

Where it is not possible to estimate the recoverable amount of a class of asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

10. Leases

Trust as a lessee

The Trust leases printers under an operating lease. The lease typically run for a period of three to five years. The Trust has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

	2021	2020
	\$000	\$000
(a) Right-of-use assets		
Plant and equipment		
Balance at 1 July	204	239
Addition	22	-
Depreciation expense	(66)	(35)
Balance at 30 June	160	204
(b) Lease liabilities		
Balance at 1 July	205	239
Additions	22	-
Interest expense	10	4
Payments	(73)	(38)
Balance at 30 June	164	205
Current	98	58
Non-current	66	147
	164	205

Recognition and measurement

The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Trust recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets. At commencement or on modification of a contract that contains a lease component, the Trust allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for any leases of property the Trust has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Trust recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Notes to the Financial Statements

For the Year Ended 30 June 2021

10. Leases (continued)

Recognition and measurement (continued)

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Trust at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the Trust; and
- payments of penalties for terminating the lease, if the lease term reflects the Trust exercising the option to terminate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Trust applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

10. Leases (continued)

Trustee as a lessor

The Trust's leased properties to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the Trust is exposed to changes in the residual value at the end of current leases, the Trust typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

When the Trust acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Trust makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As of this assessment, the Trust considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Lessor for operating leases

Future minimum rental receivables (undiscounted) under non-cancellable operating as at 30 June are as follows:

	2021	2020
	\$000	\$000
Within one year	517	517
<i>Later than one year and no later than five years</i>		
Two to three years	473	517
Three to four years	437	473
Four to five years	217	437
Later than five years	200	418

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

11. Payables

	2021	2020
	\$000	\$000
Creditors	1,844	1,386
Accrued salaries and wages	20	77
Other creditors and accruals	1,111	1,017
	2,975	2,480
Ageing analysis of payables:		
Current payables	2,476	1,771
Payables aged one month	495	369
Payables aged one to two months	-	145
Payables aged three months and older	4	195
	2,975	2,480

Recognition and measurement

Payables represent liabilities for goods and services provided to the Trust and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

12. Provisions

	2021	2020
	\$000	\$000
Annual leave	740	659
Personal leave	61	59
Long service leave	812	658
Maintenance provision	486	702
	2,099	2,078
Provisions - current	1,388	1,151
Provisions - non-current	711	927
	2,099	2,078
Annual leave obligations expected to be settled after 12 months	-	-
Long service leave obligations expected to be settled after 12 months	281	225

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

12. Provisions (continued)

Movement in provisions (other than employee benefits)

	2021 \$000
Carrying amount as at 1 July 2020	702
Additional provisions recognised	-
Unused amounts reversed	(216)
Carrying amount as at 30 June 2021	<u>486</u>

A provision is recognised in the statement of financial position when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Employee benefit related provision

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Trust has assessed the actuarial advice based on the Trust's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Trust does not expect to settle the liability within 12 months as the Trust does not have an unconditional right to defer settlement. Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the effects of discounting and future wage levels and were determined to not provide a material effect, therefore have not been reflected. Expected future payments are discounted using the Treasury bond rate at the reporting date. The Trust pays contributions to certain superannuation Funds as per Superannuation Guarantee (Administration) Act 1992. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. The Trust has no obligation to pay further contributions to these Funds.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Maintenance provision

The Trust has a present obligation for certain remedial repair works to cemeteries under its control. The cost of the provision has been estimated based on an assessment performed by Lighthouse Project Group.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

13. Contract liabilities

	2021	2020
	\$000	\$000
Current		
Customer deposits	2,401	1,219
Prepaid interments	1,275	1,153
Prepaid plaques	7	10
Prepaid headstones	1,563	1,111
Unearned grant income	300	-
Total deferred income	<u>5,546</u>	<u>3,493</u>
Non-current		
Prepaid interments	38,047	34,410
Prepaid plaques	189	286
	<u>38,236</u>	<u>34,696</u>

Prepaid fees

Consideration received in advance from customers for services not performed are recorded as prepaid fees and customer deposits. These fees are recorded as revenue in the year the service is rendered. The balance of contract liabilities at 30 June 2021 was impacted by the ability of the Trust to finalise to the satisfaction of the customer with whom the contract has been made. The contract liability has increased significantly during the year due to deposits taken during the year for new works exceeding the volume of works that were actually completed.

Most burial rights are sold with two interments attached. The balance shown as current is management's estimation of what will be recognised as income within 12 months. The remaining balance is recognised as non-current.

Reconciliation of contract liability

	2021	2020
	\$000	\$000
Opening contract liability	38,189	34,719
Add: receipt of cash during the financial year	10,393	7,336
Deduct: income recognised during the financial year	(4,800)	(3,866)
Closing contract liability	<u>43,782</u>	<u>38,189</u>

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

14. Capital and reserves

(a) Accumulated surplus funds

The Trust has an obligation to manage and maintain the cemetery in perpetuity. Retained earnings are used for the purpose of providing perpetual maintenance of the cemetery once interment revenue is exhausted.

(b) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI. These gains and losses will never be reclassified to profit or loss.

(c) Other reserve

Upon establishment of the Trust, the assets, liabilities and obligations of former, now dissolved Trusts were transferred to the Trust.

(d) Asset revaluation reserve

Asset revaluation reserve relates to the revaluation of property, plant and equipment.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

15. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

30 June 2021

	Note	Category				Level
		Amortised Cost	FVOCI*	Other financial liabilities	Total	
		\$000	\$000	\$000	\$000	
Financial assets measured at fair value						
Shares in listed equities & managed funds*	8	-	108,086	-	108,086	Level 1
		-	108,086	-	108,086	
Financial assets not measured at fair value						
Cash deposits	8	3,574	-	-	3,574	
Receivables**	6	1,091	-	-	1,091	
Cash and cash equivalents	5	5,724	-	-	5,724	
		10,389	-	-	10,389	
Financial liabilities not measured at fair value						
Payables***	11	-	-	2,975	2,975	
		-	-	2,975	2,975	

* Carrying value for equity investments at FVOCI reflect its fair value for year ended 30 June 2021

** Excludes statutory receivables and prepayments not within scope of AASB 7

*** Excludes statutory payables and unearned revenue not within scope of AASB 7

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

15. Financial instruments – Fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

30 June 2020

	Note	Category				Level
		Amortised Cost	FVOCI*	Other financial liabilities	Total	
Financial assets measured at fair value						
Shares in listed equities & managed funds*	8	-	97,545	-	97,545	Level 1
		\$	\$	\$	\$	
		-	97,545	-	97,545	
Financial assets not measured at fair value						
Term deposits with a maturity greater than 12 months	8	1,774	-	-	1,774	
Receivables**	6	1,180	-	-	1,180	
Cash and cash equivalents	5	7,048	-	-	7,048	
		10,002	-	-	10,002	
Financial liabilities not measured at fair value						
Payables***	11	-	-	2,480	2,480	
		-	-	2,480	2,480	

* Carrying value for equity investments at FVOCI reflect its fair value for year ended 30 June 2020

** Excludes statutory receivables and prepayments not within scope of AASB 7

*** Excludes statutory payables and unearned revenue not within scope of AASB 7

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Financial instruments – Fair values and risk management (continued)

The carrying value of equity securities contained within these financial statements is representative of their respective fair values. The Trust has not disclosed the fair value for financial instruments such as short term trade receivables and payables because their carrying amounts are a reasonable approximation of fair value.

(b) Financial risk management

The Trust has exposure to the following risks arising from financial instruments:

- credit risk (see (b)(ii) below)
- liquidity risk (see (b)(iii) below)
- market risk (see (b)(iv) below)

(i) Risk Management framework

The Administrator has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Administrator have established the Audit and Risk Committee, which is responsible for developing and monitoring the Trust's risk management policies. The committee reports regularly to the Administrator on its activities.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Trust's Audit and Risk Committee oversees how management monitors compliance with the Trust's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust.

(ii) Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Trust's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and historic trading relationship with the customer.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Trust's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed regularly.

At the reporting date, the Trust did not have any provisions for impairment of trade receivable balances.

Cash and cash equivalents

The Trust held cash and cash equivalents of \$5,724,000 at 30 June 2021 (2020: (\$7,048,010)). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

15. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations associated with its financial liabilities. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

(iv) Market risk

Market risk is the risk that changes in market prices – interest rates and equity prices – will affect the Trust's income or the value of its holdings of financial instruments. The objective of the Audit and Risk Committee is to ensure investments are managed having regard to all aspects of the Administrator's determination of acceptable risk, while optimising return.

2021	Fixed return financial investments	Variable return financial investments	Carrying value as at 30 June
	\$'000	\$'000	\$'000
Cash deposits	3,574	-	3,574
Shares in listed companies and managed funds	-	108,086	108,086
Total investments	3,574	108,086	111,660

2020	Fixed return financial investments	Variable return financial investments	Carrying value as at 30 June
	\$'000	\$'000	\$'000
Term deposits	1,774	-	1,774
Shares in listed companies and managed funds	-	97,545	97,545
Total investments	1,774	97,545	99,319

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

16. Reconciliation of cash flows from operating activities to net result

	2021	2020
	\$000	\$000
Cash flows from operating activities		
Surplus for the year	7,329	6,884
Adjustments for:		
Depreciation	2,740	2,782
Interest paid	(10)	(4)
(Gain)/ loss on sale of property, plant and equipment	(14)	88
Investment distributions	(3,248)	(3,331)
	6,797	6,419
Change in inventories	(1,589)	(1,347)
Change in receivables	91	106
Change in payables	495	594
Change in provisions and employee benefits	42	38
Change in deferred income	5,593	3,470
Net cash from operating activities	11,429	9,280

17. Capital commitments

The Trust entered into a contract to purchase property, plant and equipment for the construction of MPCC Mausoleum in FY20 and is committed to incurring capital expenditure of \$5.7 million in the next financial year for its completion.

18. Contingent liabilities

The Trust has nil contingent liabilities (2020: nil) as at 30 June 2021.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Notes to the Financial Statements

For the Year Ended 30 June 2021

19. Related party disclosures

Key management personnel remuneration

Compensations of the Trust's key management personnel includes salaries, non-cash benefits and contributions to superannuation.

	2021	2020
	\$	\$
Short-term employee benefit	951,958	979,140
Post-employment benefits	91,441	89,772
	1,043,399	1,068,912

The Trust has not entered into any other transactions with its key management personnel other than transactions undertaken during the ordinary course of the business.

The Trust has entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions, in aggregate are a significant portion of the Trust's receiving of services.

- Payments to Cemeteries and Crematoria NSW for levy
- Payment to the Audit office for the audit of our financial statement.

The fees for the audit and review of the financial statements performed by NSW audit office amounted to \$124,000 (2020: \$76,000). This expense has been recorded within other expenses in the statement of comprehensive income.

20. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustees of the Trust, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Northern Metropolitan Cemeteries Land Manager

ABN: 33 874 656 026

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Northern Metropolitan Cemeteries Land Manager

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Northern Metropolitan Cemeteries Land Manager (the NMCLM), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the NMCLM's financial position, financial performance and cash flows

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the NMCLM in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Administrator's Responsibilities for the Financial Statements

The Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Administrator's responsibility also includes such internal control as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administrator is responsible for assessing the NMCLM's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the NMCLM carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

10 November 2021
SYDNEY

Locations



Macquarie Park

Cnr Delhi and Plassey Roads
North Ryde NSW 2113

Frenchs Forest

1 Hakea Avenue
Davidson NSW 2085

Field of Mars

Quarry Road
Ryde NSW 2112

Gore Hill

Pacific Highway
St Leonards NSW 2065

Sandgate

116 Maitland Road
Sandgate NSW 2304





Northern Cemeteries
Always

Northern Cemeteries

1300 389 888

info@nmclm.com.au



Sandgate

**Frenchs
Forest**

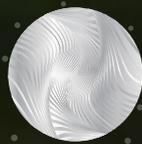
**Macquarie
Park**

**Gore
Hill**

**Field
of Mars**



Annual Report
2021 / 2022



Northern Cemeteries

Always

Always caring for the community in all its diversity