

1984 LAND TRUST
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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Principal place of business:
Lot 256 Jalan Melati
Home Island
Cocos (Keeling) Islands, WA 6799

**1984 LAND TRUST
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

STATEMENT BY TRUSTEE

The accompanying financial report has been prepared from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 15 day of November 2023



Trustee

Frank Mills

Name of Trustee

1984 LAND TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2022 Actual
		\$	\$
Revenue			
Shire contributions		123,916	93,178
Fees and charges		118,163	148,699
		242,079	241,877
Expenses			
Employee costs		(9,241)	(32,234)
Materials and contracts		(174,313)	(83,064)
Utility charges		(5,429)	(17,378)
Depreciation		(258,081)	(55,422)
Insurance		(44,318)	(19,136)
		(491,382)	(207,234)
		(249,303)	34,643
Net result for the period		(249,303)	34,643
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	4	4,360,000	(956,961)
Total other comprehensive income for the period	4	4,360,000	(956,961)
Total comprehensive income for the period		4,110,697	(922,318)

This statement is to be read in conjunction with the accompanying notes.

**1984 LAND TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	8,245,304	4,134,607
TOTAL NON-CURRENT ASSETS		8,245,304	4,134,607
TOTAL ASSETS		8,245,304	4,134,607
EQUITY			
Retained surplus		(209,733)	39,570
Revaluation surplus	4	8,455,037	4,095,037
TOTAL EQUITY		8,245,304	4,134,607

This statement is to be read in conjunction with the accompanying notes.

**1984 LAND TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$
Balance as at 1 July 2021		4,927	5,051,998	5,056,925
Comprehensive income for the period				
Net result for the period		34,643	0	34,643
Other comprehensive income for the period	4	0	(956,961)	(956,961)
Total comprehensive income for the period		34,643	(956,961)	(922,318)
Balance as at 30 June 2022		39,570	4,095,037	4,134,607
Comprehensive income for the period				
Net result for the period		(249,303)	0	(249,303)
Other comprehensive income for the period	4	0	4,360,000	4,360,000
Total comprehensive income for the period		(249,303)	4,360,000	4,110,697
Balance as at 30 June 2023		(209,733)	8,455,037	8,245,304

This statement is to be read in conjunction with the accompanying notes.

**1984 LAND TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE	2023 Actual	2022 Actual
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Shire contributions	123,916	93,178
Fees and charges	118,163	148,699
	242,079	241,877
Payments		
Employee costs	(9,241)	(32,234)
Materials and contracts	(174,313)	(83,064)
Utility charges	(5,429)	(17,378)
Insurance paid	(44,318)	(19,136)
	(233,301)	(151,812)
Net cash provided by (used in) operating activities	8,778	90,065
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	(8,778)	(90,065)
Net cash provided by (used in) investing activities	(8,778)	(90,065)
Net increase (decrease) in cash held	0	0
Cash at beginning of year	0	0
Cash and cash equivalents at the end of the year	0	0

This statement is to be read in conjunction with the accompanying notes.

**1984 LAND TRUST
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

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**1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

As the 1984 Land Trust is administered by the Shire of Cocos (Keeling) Islands, in order to satisfy the financial reporting responsibilities of the Trustee (the Shire of Cocos Keeling Islands) this financial report comprises special purpose financial statements which have been prepared in accordance with the *Land Trust Deed 1984* (where applicable) and accompanying regulations. The Trustee has determined the Trust is not a reporting entity.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow, the financial report has been prepared on the accrual basis and is based on historical costs modified, where applicable, by the measurement of fair value on selected non-current assets.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings.

1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property between the beginning and the end of the current financial year.

	Land	Buildings	Total property, plant and equipment
	\$	\$	\$
Balance at 1 July 2021	0	5,056,925	5,056,925
Additions	0	90,065	90,065
Revaluation increments / (decrements) transferred to revaluation surplus	0	(956,961)	(956,961)
Depreciation	0	(55,422)	(55,422)
Balance at 30 June 2022	<u>0</u>	<u>4,134,607</u>	<u>4,134,607</u>
Comprises:			
Gross balance amount at 30 June 2022	0	4,134,607	4,134,607
Balance at 30 June 2022	<u>0</u>	<u>4,134,607</u>	<u>4,134,607</u>
Additions	0	8,778	8,778
Disposals	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus	4,360,000	0	4,360,000
Depreciation	0	(258,081)	(258,081)
Transfers	0	0	0
Balance at 30 June 2023	<u>4,360,000</u>	<u>3,885,304</u>	<u>8,245,304</u>
Comprises:			
Gross balance amount at 30 June 2023	4,360,000	4,143,385	8,503,385
Accumulated depreciation at 30 June 2023	0	(258,081)	(258,081)
Balance at 30 June 2023	<u>4,360,000</u>	<u>3,885,304</u>	<u>8,245,304</u>

**1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	3	Market comparison approach	Independent registered valuers	June 2023	Reference to transactions involving sale of similar assets.
Buildings	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (level 2 inputs), residual values and remaining useful life assessments (level 3 inputs).

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Land - freehold land	not depreciated
Buildings	15-25 years

**1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within property is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Initial recognition and measurement between revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Trust includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings acquired between scheduled revaluation dates of the asset class are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value.

Revaluation

The fair value of land and buildings is determined at least every five years.

Increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

4. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	0	4,360,000	4,360,000	0	0	0
Revaluation surplus - Buildings	4,095,037	0	4,095,037	5,051,998	(956,961)	4,095,037
	4,095,037	4,360,000	8,455,037	5,051,998	(956,961)	4,095,037

**1984 LAND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 1984 Land Trust's operational cycle.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the 1984 Land Trust applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Fair value of assets and liabilities

Fair value is the price that the 1984 Land Trust would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Trust selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Trust are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Trust gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Trust's assets are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF 1984 LAND TRUST

Qualified Opinion

We have audited the financial report of 1984 Land Trust (the Trust) which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and Trustee's declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of 1984 Land Trust presents fairly, in all material respects, the Trust's financial position as at 30 June 2023 and of its performance for the year ended, in accordance with the basis of preparation described in Notes 1 to the financial statements.

Basis for Qualified Opinion

As advised by the client, we did not perform any audit procedures on opening balances. Since opening balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of profit or loss and other comprehensive income and the net cash flows from operating activities reported in the statement of cash flows.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Trust in accordance with the independence requirements of ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation and Restriction on Use and Distribution

We draw attention to Notes 1 to the financial statements, which describe the basis of preparation.

The financial report has been prepared for the purpose of fulfilling the Trustee's financial reporting responsibilities under the Trust Deed. As a result, the financial report and this auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trustee of the Trust and should not be used by or distributed to parties other than the Trustee of the Trust. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the Trustee of the Trust or for any other purpose than that for which it was prepared.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF 1984 LAND TRUST (CONTINUED)

Responsibility of the Trustee for the Financial Report

The Trustee of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Trust Deed and has determined that the basis of preparation described in Notes 1 to the financial report is appropriate to meet the needs of the Trustee. The Trustee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the Trustee is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of November 2023.