



Catholic Cemeteries
& Crematoria
Care, Compassion, Choice

Bringing
Communities
Together

2018 Annual Report

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Cover and below:
Our Remembrance Service held on 17 December 2017 to commemorate family and friends not with us at Christmas. *Images courtesy Giovanni Portelli / Catholic Communications.*



The Catholic Cemeteries Board and Catholic Metropolitan Cemeteries Trust

Our History 1996-2018

The Catholic Cemeteries Board (CCB) was established by the Archbishop of Sydney, Edward Cardinal Clancy. Simultaneously the NSW government amalgamated the Catholic trusts of Rookwood, Liverpool and Field of Mars into the Catholic Metropolitan Cemeteries Trust (CMCT) and appointed the CCB as trust manager of the CMCT's Crown Land Trusts.

The CMCT expanded with the 2008 acquisition of the Kemps Creek Cemetery and the added responsibility of all of Liverpool Cemetery's denominations in 2012. During the 2012 cemetery reform process the CMCT relinquished control of Field of Mars, as it was not located in western Sydney.

In 2013, after consultation with the Catholic Archbishop of Sydney, CMCT became a general cemetery operator.

St Michael of the Archangel Chapel, Rookwood: a stunning example of Gothic Revival-style architecture, built in 1890.



Our Cemeteries

The CMCT is one of the largest cemetery trusts in NSW, currently managing five cemeteries in western Sydney. CMCT is an independent not-for-profit organisation, managing and delivering high quality cemetery services to families across the diverse range of communities in western Sydney.

- Rookwood Catholic Cemetery & Western Sydney Crematoria
- Kemps Creek Cemetery
- Liverpool Cemetery
- North Rocks Catholic Cemetery (administered by the CCB on behalf of the Diocese of Broken Bay)
- Greendale Catholic Cemetery (administered by the CCB on behalf of the Diocese of Parramatta)
- Two new cemeteries are proposed for Wallacia and Varroville in the next 5 years.

Artist's impression of the new Macarthur Memorial Park function centre.





Mission and Values

W

We believe that everyone has the right to a dignified funeral and enduring, future care of the family's resting place. We believe that cemeteries are sacred and historical places in our society for the preservation of memories, and that the funeral is just the beginning of our role.

Our Vision

Create and maintain sacred memorial places for all we serve.

Our Mission

We are a not-for-profit Catholic organisation committed to caring for and supporting communities by providing quality cemeteries, memorial services and bereavement support.

Our Values

Respect We protect and promote the dignity of the human person made in the image and likeness of God.

Integrity We are ethical and authentic in the things we do.

Faith Our faith guides us in everything we do.

Compassion We are empathetic and sensitive to all

Innovation We create inspiring places with a commitment to innovate to meet the evolving needs of our community.

Collaboration We value and nurture strong relationships with communities and key stakeholders.

Our Strategic Direction and Statements

Grow and maintain relationships

Develop and enhance relationships with communities and stakeholders.

Business sustainability

Evolve our operating business model to ensure financial viability, meeting regulations and increase efficiencies to deliver our mission.

Staff & culture

Empower staff to nurture a harmonious and safe workplace culture, to deliver our mission, vision and values.

Service excellence

Provide a standard of service that meets and exceeds community expectations.

Enhanced governance and accountability

Ensure improved governance and greater accountability.

A Message from the Chairperson and CEO



**The Hon Greg Smith SC,
Chairperson; Peter O'Meara,CEO**

B BRINGING COMMUNITIES TOGETHER

As we celebrated our past 150 years over 2017-2018, we consciously looked forward to increasing the professionalism of every aspect of our organisation to ensure continuing excellence as we grow into the future.

A key tenet of our 150 years of service has been responsiveness to community needs. This year our focus has been working with the leaders of all faiths. From the traditional Catholic communities, to newer Australian Christians as well as other religious groups such as the Muslim and Jewish communities, with the goal of ensuring that there is sufficient land available so that all people can be buried in accordance with their wishes.

The CMCT board views this objective as a strategic priority and has established a community advisory committee to create strong and open relationships with group leaders who together represent the changing fabric of Sydney's population.

Our connection to the Catholic Church continues to be a unique characteristic of our organisation, as our faith guides our mission. Our strong relationship with the Archdiocese of Sydney is represented both internally and externally.

The work of our Bereavement Support team in conjunction with the Archdiocese to successfully pilot the Ministry of Bereavement program is an initiative we are very proud of, and extends the important work we do throughout the community to those who need support.

A MESSAGE FROM THE CHAIRPERSON AND CEO

CASH RESOURCES

\$5.8M

2017:\$4.3M ↑34%

TOTAL COMPREHENSIVE INCOME FOLLOWING REVALUATION OF LAND

\$26.1M

2017:\$16.3M ↑60%

REVENUE

\$25.9M

2017:\$25.7M ↑2%

Our 2017-2018 financial year highlighted increasing sales activity (revenue and deferred income) by 10%. Following the purchase of land at Wallacia (\$12.4M) and Investment Fund growth of \$107.6M we are within reach of Perpetual Care target (\$142M). CMCT has adopted a prudent planning framework to build capacity to transition to the future. This level of expenditure will be ongoing for a few years in anticipation of two new cemeteries (Varroville and Wallacia) commencing operations. The success of our flexible payment options and packaged transactions has been outstanding and represent \$1.2M of future revenue which will be realised over the coming years.

LOOKING TO THE FUTURE

Having concluded our 150 years celebrations, and with new board leadership, we commenced 2018 with a review of our strategic direction. It is our goal to double our cemetery footprint over the next 5 years and the success of this growth is reliant on the professionalisation of every aspect of our organisation.

A comprehensive risk analysis was conducted to assess operations, facilities, political, governance, financial and technological. The risk management strategy will be implemented by a committee reporting directly to the board.

In the external environment, the changes to the NSW Crown Lands Act came into effect in July 2018, resulting in the pending closure of the trading operations of Catholic Metropolitan Cemeteries Trust (CMCT). We are in a transitional phase to replace CMCT, to be fully implemented by 1 July 2019.

New legislation to improve the sustainability of existing cemeteries is currently before the NSW Parliamentary Committee for review, with the introduction of Part 4 of the Cemetery & Crematoria Act. This proposes that families have the right to purchase graves for a tenure of 25 years, with the right to renew four times for up to 99 years. This option is voluntary and perpetual tenure will continue to be offered.

The development applications to build two new cemeteries at Varroville and Wallacia are currently before the Independent Planning Commission and will greatly assist cemetery sustainability in Sydney by increasing cemetery land availability for many in our community.

The board and executive acknowledge the support of the Hon. Paul Toole, Minister for Lands and Forestry, and Minister for Racing, as well as the Cemeteries & Crematoria NSW Board and staff. We extend our thanks to the Office of the Archdiocese of Sydney for their continuing support and guidance.

On behalf of our dedicated team we look forward to continuing the excellence in customer & community service that we are respected for in 2018-2019.



THE HON GREG SMITH SC
CHAIRPERSON



PETER O'MEARA
CEO

Welcome to the New Chairperson of the Board



CMCT were honoured to announce The Hon Greg Smith SC, a barrister with 45 years of prominent legal and government experience, became the new Chairperson of our Board of Directors in September 2017.

As a Sydney University Law graduate in 1973 Greg was admitted as a Solicitor with a career predominantly focused in prosecution, working for the Commonwealth Crown, the Commonwealth DPP and later, after admission as a Barrister in 1987, as a NSW Crown Prosecutor and Deputy Senior Crown Prosecutor and Deputy Director of Public Prosecutions in 2002. He was appointed to the role of Senior Counsel in 2004.

Highlights of his legal career include acting as instructing Solicitor to the Stewart Royal Commission into drug trafficking, Senior Legal Adviser to the National Crime Authority and as Counsel Assisting the Independent Commission Against Corruption under Commissioner Ian Temby QC.

Greg continued his public service when elected as Member for Epping to the NSW Parliament in March 2007 with roles as Shadow Attorney General, Shadow Minister for Justice, Shadow Minister for Juvenile Justice. He served as Attorney General and Minister for Justice from April 2011 to April 2014.

He retired from political life in 2015 and has returned to the Bar to practice in criminal law.

Greg is a member of the Australian Catholic Life Committee of the Australian Catholic Bishops' Conference, and commenced his involvement with CMCT in 2016 when appointed by Archbishop Anthony Fisher, shortly taking up the Deputy Chair position.

CMCT is extraordinarily fortunate to have this dynamic, accomplished and committed member of the board to lead the organisation through such critical stages in our growth.

Board Members

The CMCT board is a diverse group of people who use all their experience, skills and individuality in contributing to the success of CMCT.

We are honoured to have the guidance of senior appointments to our board including Anthony Cleary; Director of Religious Education and Evangelisation, Tony Farley; Executive Director of the Catholic Commission for Employment Relations, Selina Hasham, Director Creative Communications as well as Danny Casey, former Business Manager to the Archdiocese of Sydney and advisor to the Vatican on financial reform.

The board is committed to working together to deliver excellence for our families, supporting our employees, and contributing to our communities through good governance, setting the strategic direction and advocating with government, church stakeholders, and community representatives.

The Hon Greg Smith SC
Chairman

Sister Maria Wheeler
Deputy Chairman

Most Rev Terence Brady
Governor (Auxiliary Bishop of Sydney)

Tony Farley
Governor

Grace Fava
Governor

Tony Khoury
Governor

Margaret McCue
Governor

Selina Hasham
Governor

Anthony Cleary
Governor

Danny Casey
Governor

2017

A Year in Review

OVER **303**
COMMUNITY
EVENTS WITH
OVER **61,517** ATTENDEES



JUL 27

Christmas in July
Funeral director event



SEP 02

Fathers Day Masses



SEP 07

150 Years Mass &
Book Launch



SEP 24

Rookwood Open Day



NOV 04

All Souls Day



NOV 18

St Thomas Statue
Blessing – Kemps Creek



DEC 09

Twilight Carols –
Rookwood



DEC 15

Carols by Candlelight
– Kemps Creek

2018



DEC 17

Remembrance Service
*Image courtesy Giovanni Portelli /
Catholic Communications*



MAR 13

Penrith Valley
Chamber event



APR 15

St Zaia lawn blessing
– Kemps Creek



MAY 12

Mothers Day Masses



MAY 30

Muslim MOU Signing



JUN 16

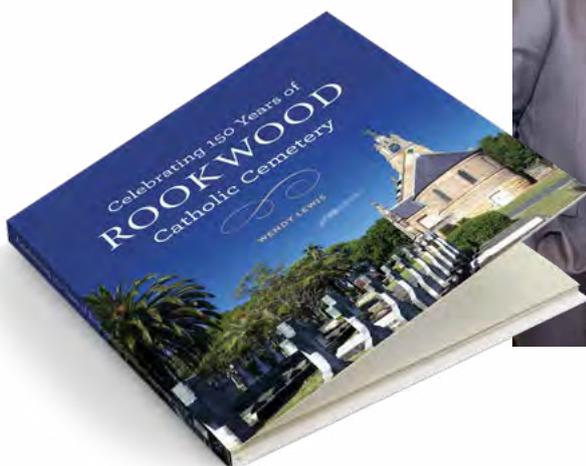
Cardinal Kuharic
Statue Blessing -
Kemps Creek

150 Years of Rookwood



2017-2018 marked the 150th year since the inception of Rookwood Cemetery, an important icon in Sydney's history and cultural heritage. This landmark anniversary offered CMCT an important opportunity to celebrate Catholic Rookwood and the church's history in serving the community, with a mass celebrated by Bishop Brady at St Mary's Cathedral. A permanent legacy was created with the publication of a commemorative book that was publicised widely.

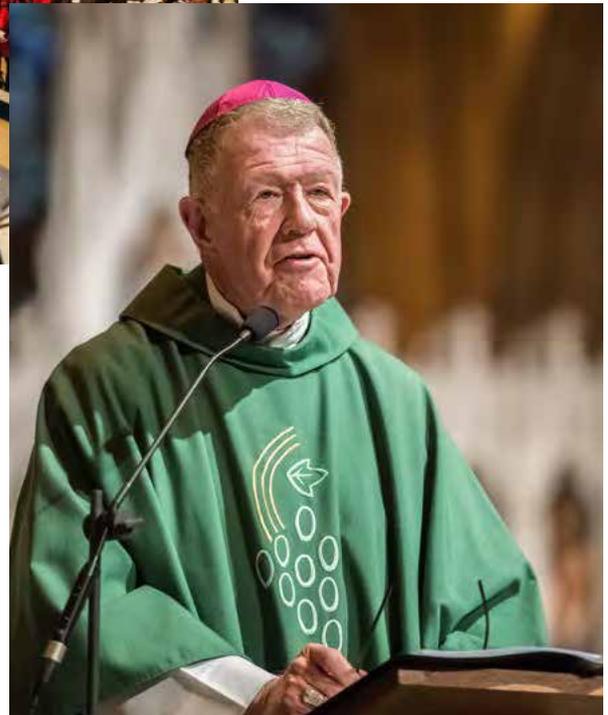
From top:
The Hon Paul Toole speaks at the Celebrating 150 Years of Rookwood Catholic Cemetery book launch; CMCT's Peter O'Meara and Greg Smith join the Hon Paul Toole, Bishop Brady and author Wendy Lewis.

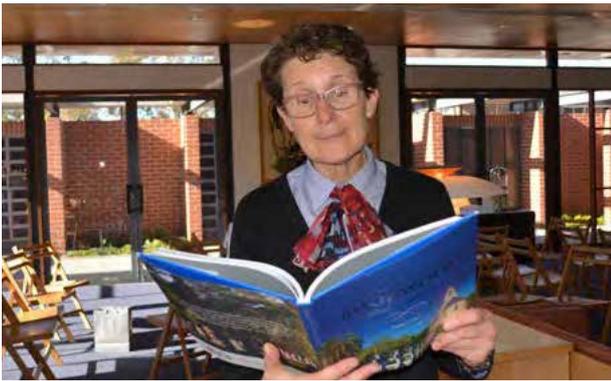






Clockwise from top:
Author Wendy Lewis; Bishop Brady leads the 150 Years celebration mass; CEO Peter O'Meara; CMCT's Suni Muralidhar, CS Officer Liverpool, Kim Riley, CS Officer Kemps Creek





The midyear mingle event was dedicated to celebrating the anniversary, and employees were presented with a gift thanking them for their contribution of service. The broader community celebrated at Rookwood Open Day with sessions that were historic, educational and entertaining.



Performance Against Objectives

STRATEGIC PRIORITY	OUTCOME AREA	PERFORMANCE INDICATOR	TARGET 2017-18	RESULT
 LEAD BY EXAMPLE AND ACHIEVE ANNUAL BUSINESS PLAN	Expand footprint and services across western Sydney with efficient management of all aspects of the Business Plan	Revenue Operational Surplus	Achieve Annual Budget Targets within 10 % + - tolerance	
 CREATE STAKEHOLDER RELATIONS	Build relationships amongst Funeral Directors, Faith Based and Community groups	Sales Volume by Community and Funeral Alliance members Set Baseline for Community Groups and Funeral Alliance Partners Funeral Director Satisfaction and Professionalism	Increase by 5% Maintain an average of 80%+ Professionalism & 80%+ Satisfaction Rating	
 PLAN FOR KEY PROJECT PROFITABILITY	Deliver maximum return on key assets and completion of planned projects	% completion of capex program as per approved budget and timeframes	Infrastructure and development projects approval on time and within Budget 95% of time	
 ENSURE OUR FINANCIAL GROWTH	Satisfy Perpetual Maintenance obligation Increasing Net Assets	Strategic Investment Portfolio Net asset growth	Return of CPI + 4% over long term Balance Sheet in line with Projections	
 EXCELLING IN CUSTOMER SERVICE	Ensure customer satisfaction survey results are delivered efficiently and safely	Customer Satisfaction as measured by Net Promoter Score	Exceed 45 NPS	
 GROWING OUR PEOPLE ENGAGEMENT & CAPABILITY	Staff engagement and satisfaction Training and Education	CMCT Employee Survey Combined Score Training Courses	Maintain an average satisfaction score for the overall organisation 80%+ Annual baseline target of > 20% of employees per annum for Improved	



OBJECTIVE #1

Create Successful Conversations



CONTRIBUTING COMPASSION TO COMMUNITY

Through our work and the connections we make within industry, parishes and communities, we are proud to listen and understand their challenges, to ensure we can deliver support when it is needed.

UNITING THE COMMUNITY IN CELEBRATION

CMCT holds regular events throughout the year to unite the community, and we pride ourselves on our level of involvement. We've helped to celebrate a range of events and festivities such as the Eid celebrations, the Luddenham Show, feast days, parish picnics, and Charlie Teo's Music for Life Fundraiser.

Cemetery Events

Our ongoing cemetery masses continue to be well attended and appreciated by families. Our best-supported events include the monthly memorial masses for the bereavement support of our families, and the traditional masses for Mothers Day, Fathers Day, and All Souls Day.



"We went to Kemps Creek for All Souls Day mass and it is the most the beautiful thing you do. I took my Dad three weeks before he passed away and it was so special, as Mum was buried there in February."

Kemps Creek Family Member

Christmas Carols

Following the success of Twilight Carols at Rookwood in 2016, the inaugural Kemps Creek Christmas Carols were held in 2017 amid much interest. The event was promoted via letterbox drops, advertising on Vintage FM online and social media. Thanks to the efforts of our committed team we attracted over 400 people, including many local residents who had previously not visited the cemetery.

The festive evening featured the melodious voice of singer Eileen McCann, the local firefighters and the arrival of Santa in a horse-drawn sleigh. A petting zoo and face painting kept all ages entertained and all money raised from the evening was donated to Music for Life and the Charlie Teo Foundation, a charity that CMCT supports every year.

Community Events

CMCT works closely to develop products at our cemeteries that meet community needs. A highlight of our community celebrations include the lawn opening and blessing of the stage 2 St Thomas Chaldean Lawn, Kemps Creek. This event was supported by the Chaldean and Assyrian Catholic Diocese of Australia & NZ. Most Rev Archbishop Mar Amel Nona opened and blessed the lawn and unveiled a statue of St Thomas, which was witnessed by over 300 community members, including Dr Hugh McDermott, MP for Prospect, Deputy Mayor Tina Ayyad from Liverpool City, and Council, clergy and members of the St Thomas Chaldean Catholic Church.

The blessing by Father Petar Horvat and Father Josip Kesina of the new Cardinal Franjo Kuharic statue was well supported by over 400 people including the Republic of Croatia, Consul General Hrvoje Petrusic. Unveiled on the dedicated Croatian burial lawn at Kemps Creek, this was received appreciatively by the community group.

Another group with a shortage of burial land that CMCT worked with flexibly to provide affordable options for new



Above: **Santa greets the crowd at the inaugural Kemps Creek Christmas Carols from his horse-drawn sleigh**
 Right: **A guest gets into the festive spirit with help from an artistic volunteer**



migrants is the Coptic community. The outcome of our efforts was the launch of St Zaia Cathedral, Church of the East Lawn.

We are proud to join our community groups in their local events for celebrations such as St Mary’s Assumption Feast (Chaldean & Assyrian Catholic Diocese), Commemoration of the Deceased Faithful – Chaldean & Assyrian Catholic Diocese of Australia, St Thomas Feast Day, and Our Lady of Penafrancia, Penrith.

INSIGHTS AND UNDERSTANDING

CMCT continues to monitor and benchmark our key customer groups of families and funeral directors to ensure excellent delivery of service.

Over January to March 2018, we undertook a community consultation via drop in and information and feedback sessions with the Penrith/Wallacia area to ensure locals are communicated with openly about the new cemetery plans. This is the first step in ensuring the local community understands the development as it progresses.

BUILDING STRONG BONDS WITH BUSINESS

Funeral directors are our most important partners, and we connect with them regularly, so they are up to date with any changes to our cemeteries and operations. We believe that transparency and communication empower people to make informed end of life decisions.

As part of our commitment to being actively involved in local communities, each of our cemeteries belongs to their appropriate chamber of commerce. In a first for Penrith Valley Chamber of Commerce, Kemps Creek Cemetery hosted a Chamber Connect event of sunset drinks with 50 local business people who were delighted to visit the park.

CREATING ONGOING INVOLVEMENT WITH OUR CHURCH COMMUNITY

We once again sponsored the Archdiocese of Sydney Clergy Conference in July where we were able to create awareness for the Ministry of Bereavement parish program. CMCT also continued sponsorship for the 2018 Walk With Christ Eucharistic Procession, held in June, attended by over 1,000 Catholic participants.



CASE STUDY

Working to Bring Communities Together

Business Development & Community Relations Manager, Janine Edmunds (pictured) is a well-known and loved personality amongst the funeral and community groups CMCT support. She commenced working in the industry 9 years ago and joined CMCT in 2013.

Her role involves developing new opportunities with new and existing clients, including funeral directors and communities. She oversees commercial partnerships that can vary from aged care facilities, large community and religious groups to local community initiatives such as the Luddenham Show.

Janine meets with funeral directors and community leaders to ensure CMCT is delivering an excellent client experience at all times, and that family, funeral director and community needs are met or exceeded. The feedback she receives is then incorporated into improving CMCT client service processes and helping the marketing and operations team better understand our clients, sharing knowledge, creating new ideas and achieving business targets.

She says a key success in her role is in being able to “demonstrate a solutions focus, to think about the client first, understand their needs and strive to add value, in order to work with industry and the community to deliver our vision and values”.

An example of Janine’s success in 2017-2018 was in the delivery of \$1.2M generated in deferred income/deferred payment plans, which was generated out of Janine’s strong relationships with each of the community groups.

These relationships are formed through Janine’s attendance at many of the over 300 community and business events CMCT is involved in.

On the rewards of the work she does she says, “My job is 24/7, but I strive to ensure I am living our values each time I work with a client. In particular, my faith in Jesus guides



everything I do with each and every one of them. Several of my communities have families arriving in Australia as refugees under the Humanitarian Program. They have come from great suffering and want to start a new life in Australia. A key need for them is to have access to affordable and sacred burial space. By working to fulfil this need, it gives me the greatest honour, knowing that we are looking after each and every one of them in the most respectful and dignified way. We can offer them a place where they are ‘safe’ and call ‘home’”.



“I work together with Janine and CMCT and she always goes way and beyond. She gets involved personally and passionately - this is not just a job for her. She will visit our communities and always wants to help people.”

Joe Manno, Blessed Funerals.



CASE STUDY

Working with Aged Care Community, for End of Life Peace of Mind

Cardinal Stepinac Village is a not-for-profit aged care facility located in St Johns Park, and established in 1986. Their mission is to provide a high quality ministry that cares for the ageing with dignity and respect, in the Catholic tradition of the Croatian Australian community, a purpose in alignment with CMCT.

Their services include residential care and self-care, and as a charitable organisation they provide emergency accommodation and community support services to disadvantaged elderly persons.

CEO of Cardinal Stepinac Village, Matt Smolcic became concerned that many residents did not have end of life plans, and worried that there weren't enough affordable

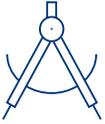
options for future burials for the Croatian community.

CMCT's community team worked with him to assist their families decide on their options.

The outcome resulted in CMCT developing a new lawn of over 200 monumental lawn and lawn graves, which will be reserved for the village residents who have not made end of life plans. The Cardinal Franjo Kuharic Lawn at Kemps Creek Cemetery is conveniently located 15 minutes from Cardinal Stepinac Village, and has dedicated cemetery space for Cardinal Stepinac Village.

Matt Smolcic described the benefit of working with CMCT as "[it is] invaluable working with an organisation that respects our culture and faith, and that collaboratively and constructively works with us to deliver our mission of providing affordable burial space to our village community. It was important to us to offer families 'choice' in regards to product, so a combination of smaller lawn graves, and full monumental lawn graves were developed. We now feel confident that we can meet the needs of our residents for the future"

Above: **CMCT's Janine Edmunds joins Consul General Hrvoje Petrusic and Father Marko Hrgota at the Cardinal Franjo Kuharic Lawn**



OBJECTIVE #2

Planning for the Future

D

DELIVERING CHOICE WITH INTEGRITY

CMCT's Project team has focused delivering on 2017's commitment to

developing affordable burial and cremation offerings. The team has diligently executed the planning and construction of developments that combine sustainability, recreation and modern design, in order to meet the changing needs of our community groups across different faiths.

Our planning efforts have, and continue to be, structured to serve our customers and ensure they have what they need, when they need it – if not before. This has enabled CMCT to deliver on its value of offering choice to our community.

DELIVERY SYSTEMS THAT WILL TAKE CMCT INTO THE FUTURE

As we prepare for the construction of our two new cemeteries, we are in the process of implementing an Enterprise Asset Management system. This will allow us to roll out a regulated maintenance and depreciation program across all of our cemeteries. The system is being implemented to ensure CMCT achieves the maximum return on our key assets and empower us to plan and follow through our capital projects to maximum value.

MAJOR PROJECT UPDATE: MAXIMISING EXISTING ASSETS & ASSET CREATION

Developments at Rookwood

St Lucia stage 2 was successfully completed in June this year, and 384 crypts were made available. The preliminary design stage of the Rookwood Cycleway has been completed in collaboration with other stakeholders.

Rookwood Cycleway spans a picturesque 6-kilometre stretch around the perimeter of Rookwood Cemetery's western side and we are confident it will be very popular with families.

St Caterina stages 1 and 2 have commenced with their preliminary design stage. Both stages of the modern, single floor crypts and 652 above-ground garden crypts are due for completion by December 2019.

Developments at Macarthur Memorial Park

This year saw further design work and value engineering of Macarthur Memorial Park converted to documentation to have the site ready for construction. The documentation was submitted to the Department of Planning and approval is currently pending.

Furthermore, the design and restoration of the historic building and Aboriginal archaeological studies are now complete. CMCT has also finalised ecology reports for flora and fauna management and we have received a Sustainability and Green Star rating of 6/6, which is world-class.

Developments at Wallacia Memorial Park

The 44-hectare development application has been submitted to the NSW Department of Planning with and approval is currently pending.

The golf club will be redeveloped and upgraded as a modern sporting club. It is envisioned the site will continue operating as a golf course long into the future.

The transition from a golf course to cemetery will be gradual, and dependant on demand for burial sites, as land gives way to burial space. The modern chapel has been positioned to maximise the picturesque views of the Blue Mountains, with the design featuring distinctive glass windows at the front and rear of the building to take advantage of the scenery.



Artist's impressions of future developments at Wallacia: the light-filled chapel (above) and wetlands development (right).





CASE STUDY

Creating modern space in a changing world

CMCT has pioneered a series of space-efficient, above-ground crypts that are four storeys high, catering for singles, couples and families at heritage-listed Rookwood.

Land is becoming a more sought-after commodity in cemeteries, particularly in countries with ageing populations. CMCT has developed a solution to reduce this footprint by going vertical, a more economical way of managing sustainability, whilst providing room for people to be interred.

The innovative crypts have been so successful that applications from around the world have been made to reproduce the patented design.

Ignite Architects has designed the new-generation crypts, a series of 3.6-metre-high marble-faced walls with sealed capsules, stacked in fours. These are grouped into different enclaves within a number of separate buildings that each house 300 crypts.

“They have a very contemporary look and feel and the buildings are open-air to engage with the landscape, because the Australian climate is good enough for that,” said Ignite director Jason Marriott.

“We have researched trends from around the world and have designed each one with open alcoves so mourning can be done in privacy, with a sense of enclosure, rather than having a long corridor along one wall of crypts.”

The layouts maximise natural light, with glazed overhead skylights and open voids over internal garden beds, decorative waterfall fountains and quiet reflection spaces. The granite and marble surfaces reflect the subtle acoustics of the flowing water features and help create a sense of tranquillity and peace.

Below: **Ignite's visualisation of the new generation Rookwood crypts**



We are committed to reducing our impact on the environment. When it comes to environmental management, CMCT acts locally, but strives for global best.



200,000
LITRES OF COLLECTED
STORMWATER IS RECYCLED
THROUGH THE WAY OF THE
CROSS WATER FEATURE



85,000
LITRES OF HARVESTED
WATER WILL BE USED TO
IRRIGATE THE ROOKWOOD
GARDENS



8,000
8,000 CUBIC METRES OF
SOIL HAS BEEN USED FOR
BUILDING UP LOW LYING
AREAS AND MAKING THEM
SUITABLE FOR BURIAL



CASE STUDY

Interfaith Collaboration

Muslim community leader and chairman of the Riverstone Muslim Cemetery Board, Kazi Ali helped build the Rookwood Muslim cemetery in the 1980s where there are now 6000 Muslims buried. However this section is a few years away from being full, and the Muslim cemetery at Riverstone has only 50 burial spaces left.

In what was described as a “wonderful example of interfaith collaboration”, CMCT offered to provide 4500 new burial spaces to members of the Muslim faith at its Kemps Creek Cemetery, to address the urgent need for graves. This

gesture surprised many and made headlines across the world.

CMCT Peter O'Meara said the proposed new cemeteries at Varroville and Wallacia are needed to meet ongoing demand and ensure equitable access to interment by all faiths.

The new Muslim section at Kemps Creek is estimated to cost about \$4 million to build. There will be affordable burial spaces and infants and the destitute will be buried for free.

It was Mr O'Meara's agreement to consider erecting a small building at Kemps Creek, where members of the Muslim faith could wash their hands and feet and pray before visiting a grave, which astounded the community.

“This noble gesture has touched the heart of every Muslim in Australia,” Mr Ali said.

Above: **Kazi Ali and CMCT's Peter O'Meara sign the Memorandum of Understanding that provides 4500 new burial spaces at Kemps Creek Cemetery**



OBJECTIVE #3

Excelling in Customer Service

D DELIVERING EXCELLENCE & EXCEEDING EXPECTATIONS

This year saw CMCT’s rollout of selling affordable burial options off-the-plan realised. We were extremely proud of CMCT team for exceeding our expectations and achieving off-the-plan sales of:

- 80% of St Lucia Stage 1 Crypt Complex
- 45% of St Lucia Stage 2 Crypt Complex
- Over 50% of St Awtell Maronite Community Lawn

The team achieved its sales targets across the board, with graves over-performing due to the strength of our relationships with key community groups.

CMCT customer service is focused on delivering support to our families after the service has concluded and bereavement support calls are now made to every family three months following the funeral. This has been very well received by all families who appreciate the assistance.



“Someone calling me to check how I am was so caring, and sending me forget-me-nots was really beautiful and special.”

Liverpool family

A WINNING TEAM DRIVEN BY CORE VALUES

Credit must be given where it is due, and it is thanks to the efforts of our team that the greater Sydney community has access to choices of affordable burial sites.

The CMCT team is a close-knit and supportive team of individuals who have united to achieve the best possible outcomes for families and funeral directors. Each person is closely aligned with our values of collaboration, compassion, integrity, delivery & excellence in everything we do. The team is a self-driven and managed group who work together with the cemetery services team to ensure each family experience is optimised.

The Client Services team dominated internally and won the Sunshine Awards for Outstanding Work by a Team in relation to CMCT’s core values. The team was also awarded in the categories of Budding stars and Prize Picks in the internal recognition program ‘EveryOne Counts’



WESTERN CEMETERIES

91% OF FAMILIES AND FUNERAL DIRECTORS HAD THEIR EXPECTATIONS MET OR EXCEEDED



ROOKWOOD

74% OF FUNERAL DIRECTORS AND 62% OF FAMILIES WERE EXTREMELY SATISFIED WITH THE SERVICE THEY RECEIVED



Above: Fireworks mark the end of Christmas celebrations at Kemps Creek Cemetery



OBJECTIVE #4

Achieving Seamless Operations

This year was dedicated to implementation and activity to ensure CMCT continues to meet customer expectations. Improvements and refurbishments were made to facilities, whilst investing in updating our systems.

The range of cemetery services and memorial options offered by CMCT is constantly reviewed and subject to continuous improvement of the aesthetics and functionality of our three main facilities.

Kemps Creek Cemetery

The pavilion gardens and surrounds were replanted to mirror the bushland theme and onsite catering facilities were installed to accommodate the increasing number of services.

A new reflection area and gazebo was added to the entrance to the Croatian Lawn with seating and garden to enhance the visitors' experience when returning to visit their family members.

A new non-denominational monumental lawn was developed providing additional options for families

desiring monumental headstones. Extensions were made to the Assyrian, Chaldean and Croatian Lawns incorporating new landscape features and seating areas.

Liverpool Cemetery

An existing operational work shed facility and minor access road was relocated to create an additional 150 non-denominational burial sites, to ensure that we can cater to all families in the community given that there are limited options as the cemetery is at capacity.

Rookwood Cemetery

Directional signage across the entire site was updated and replaced, a Rookwood Cemetery and CMCT joint initiative. To maintain high building standards the onsite after funeral function rooms were refurbished incorporating a catering kitchen and cool room facilities.

A security review resulted in upgraded surveillance and security measures undertaken at the operational work shed facility.

Road repairs incorporating the narrowing of two minor access roads resulted in the creation of approximately 1200 additional graves and include the installation of an 85000-litre water tank to harvesting water run off for garden irrigation.

Background: **Twilight at the site of the proposed new cemetery at Varroville**



“I was really surprised – it is a very attractive building, so clean and brand new and it is very pleasant” **Family feedback, Rookwood Cemetery**

The introduction of an outsourced grounds maintenance regime in July 2018 has resulted in significantly improved customer satisfaction in relation to the cemetery’s appearance and a decrease in the number of grounds appearance complaints.

Works were undertaken to relocate existing water pipes allowing for burial field extensions resulting in the creation of 300 additional graves.

The existing Way of the Cross Memorial Gardens were refurbished allowing for the incorporation of additional cremated remains memorials.

Risk assessments were undertaken of existing concrete pathways across the cemetery and a rectification plan put in place commencing with the replacement of pathways in Section 12.

A new monumental lawn, St Teresa of Calcutta, was developed providing additional options for families desiring monumental headstones and a new community lawn was developed for the Maronite community.

SECURE CONNECTIONS & MODERN IT SYSTEMS

The new Geographical Information Systems (GIS) interface that links with the Cemetery Management System was reviewed for first time since 2015. We are also implementing new intramaps. Security cameras have been installed at Rookwood and Kemps Creek cemeteries.

We have also undertaken an Audio System Upgrade at Rookwood & Liverpool Chapels to improve the family experience during audio and visual presentations.

The Uninterruptible Power Supply (UPS) was upgraded to reduce the risk of hardware failure or limited performance in the case of a power outage.

Trend Micro Antivirus Cloud Migration integrated the Rookwood Yagoona and Liverpool offices.

In line with IT Systems Risk mitigation, CMCT engaged an Information Security Service Provider to conduct an audit of the network which found it to be of an extremely high standard. This led to the development of a Data Breach Procedure & Response Plan in the event that CMCT experienced a data breach or suspected data breach.



83%

OF SURVEYED FUNERAL DIRECTORS RATED WESTERN SERVICES AS VERY OR EXTREMELY PROFESSIONAL



95%

OF SURVEYED FUNERAL DIRECTORS RATED ROOKWOOD’S SERVICES AS VERY OR EXTREMELY PROFESSIONAL



3,455

PLANTS WERE ESTABLISHED ACROSS ROOKWOOD, KEMPS CREEK AND LIVERPOOL



700

TONNES OF GREEN WASTE WILL BE DIVERTED TO OUR COMPOSTING PROGRAM, REDUCING DISPOSAL COSTS BY 80%



OBJECTIVE #5

Developing Our People and Culture



A

A TRANSITION TO FUTURE GROWTH

Our people strategy is focused on building our capability through targeted recruitment, ongoing employee development and by entrenching the values launched in 2013.

Whilst CMCT prepares to invest in the future growth of the organisation, our industry is facing a skills shortage due to a retiring workforce, with increasing regulation and accountability requirements. The desire to improve performance now and into the future has prompted a review of the organisational structure. This has resulted in a re-alignment of roles and identifying new pivotal roles to meet future challenges, including WHS, Eastern Region Cemetery Manager, Major Projects Consultant, WH&S and Facilities Manager, Landscaping, and GIS & Asset Data Officer. These roles are progressively being filled in 2018.

We have accepted our third intake of leadership trainees and continue to focus on front line training and the health and wellbeing of all employees. Flu vaccinations, health and skin screenings, and audiometric testing were made available.

'EVERYONE COUNTS' AWARD WINNERS

DECEMBER 2017 ANNUAL AWARDS

Budding Star: **Rom Mauri** (pictured)
Prize Pick: **Rachel O’Gorman**
One to Watch: **David Lagettie**
Sunshine Awards:
Client Services
Rookwood Team



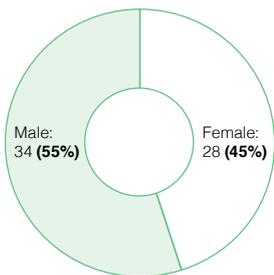
JUNE 2018 MID YEAR MINGLE

Budding Star: **Mark Hamilton**
Prize Pick: **Patricia Walsh** (pictured)
One to Watch: **Suni Muralidhar**
Sunshine Awards:
David McPherson
and Janine Edmunds

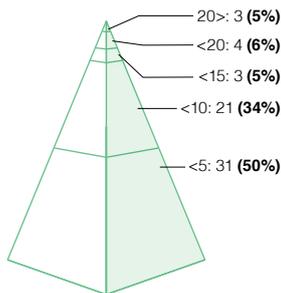


OUR PEOPLE AT A GLANCE

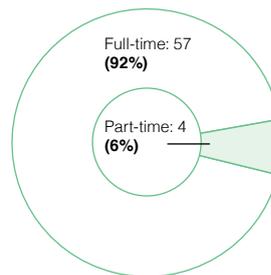
GENDER



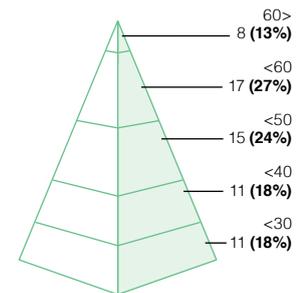
YEARS OF SERVICE

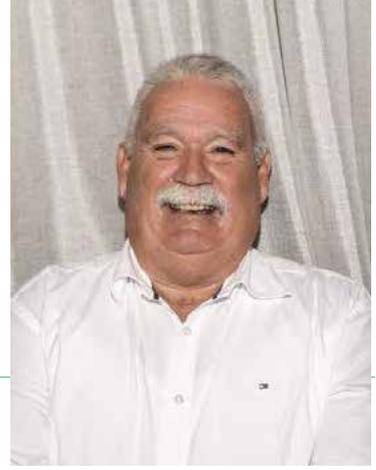


EMPLOYMENT MIX



AGE GROUPING





FAREWELL CELEBRATIONS

There are not many people who have celebrated 20 years' service, but John Richardson, Director of Planning and Facilities is one of them. John joined Rookwood Catholic Cemetery from the building industry in 1997 as the works manager.

John has built an impressive wealth of experience and breadth of knowledge across all aspects of project implementation within cemeteries. Some of his many achievements include fulfilling the role of General Manager, introducing the first cemetery industry Enterprise Bargaining Agreement, which has since been adopted across Sydney, and building the first Catholic crematorium in Australia. More recently he has worked on the architectural evolution of garden crypts (See story page 18).

Personally he is pragmatic and focused, keeping projects on track for delivery, even in the face of obstacles and bureaucratic demands. Landscape architect, Florence Jaquet, who has worked closely with John says "He is a great listener, always ready to learn, patient, tolerant and even tempered – even when a cemetery protester called the police on him!"

John's colleagues have enjoyed working with him saying, "He understands cemeteries are special places. He was committed to providing spaces that are highly functional and beautiful". CMCT thanks him for his dedicated service and his contribution to the Macarthur and Wallacia cemeteries, and wish him all the best for his retirement.

We also acknowledge the past service of Leo Macleay and Kevin Frappell who exited the board in 2017.



NET PROMOTER SCORES

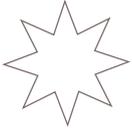
EASTERN
REGION

60*

WESTERN
REGION

63*

*Net promoter scores of above 50 are deemed a world class standard of customer service.



OBJECTIVE #6

Fulfilling Our Mission

S

SUPPORTING THE COMMUNITY WITH COMPASSION

The Ministry of Bereavement pilot was a groundbreaking initiative for the Bereavement team in 2017/2018 aimed at extending support to the bereaved outside of the cemetery. The team also focused on developing other relationships and initiatives in the community.

Working with St Vincent’s Hospital we developed a clinical pastoral care framework unique to our team. Clinical Pastoral Education (CPE) training commenced in April this year providing support that is in alignment with Spiritual Care Australia standards. Our Pastoral care model provides a multi-denominational approach to supporting people through their experiences of loss, grief and bereavement. Through our support consultations, we have spoken with a broad range of people from all walks of life and spiritual and religious backgrounds including Catholic, Maronite, Anglican and secular and non-religious groups over the course of the year.

Partnering with the team at Good Grief we created children’s resources that were designed to reflect Australian culture and support the needs of bereaved Australian children and families.

CMCT has a long association with the Matthew Talbot Hostel in inner city Sydney, providing outreach to Sydney’s homeless and marginalised people through grief and loss support groups. CMCT also facilitates the yearly interment for the homeless, held during Homeless Week, to ensure that the most marginalised people are remembered in a compassionate and caring way.

Other agencies and organisations provided with support services through our bereavement work include:

- Sydney Catholic Schools
- Macarthur Regional Suicide Prevention Action Network
- CatholicCare Sydney - Tree of hope
- LA'rche Sydney
- John Paul Village Retirement home
- The Cardinal Stepinac Retirement Village
- The Ingham Institute For Cancer Research
- Ephpheta Deaf Community
- World Youth Day



2,746
BEREAVEMENT SERVICES



2,095
AFTER FUNERAL
PASTORAL CALLS



651
CONSULTATIONS





We are proud of the real differences we make to the lives of the people in the communities we work in. We strive to help them meet their challenges. We get behind many of the causes, activities and initiatives that matter to them.



CASE STUDY

Ministry of Bereavement Pilot Brings Support to the Community

The Ministry of Bereavement pilot was successfully trialed in 3 parishes with 30 participants completing the pilot formation program. The Ministry of Bereavement was established by CMCT and the Archdiocese of Sydney in 2016, in order to challenge social views on death and dying, and to provide support to the bereaved. These 30 people will now be able to minister to bereaved people within their individual parishes, with the support of the CMCT Bereavement team.

Father Erick Niyiragira, Acting Parish Priest at Marrickville, one of the pilot parishes, said about the program, "There was an obvious great enthusiasm among the members from when they signed up and each time I met one of them after training. I noticed how their enthusiasm was well met and nurtured. The team has organised and formed a stronger bond to support one another so as not to lose the enthusiasm. They are no doubt well trained and ready to begin."

The next phase of the program is focused on consolidating support for the existing parishes and reviewing the potential for a wider approach in the future.

Bishop Brady who worked with CMCT's program leader Mark Hamilton believes that, "Death is an experience that affects all families without any exception. It is a part of life and yet when it touches family affections, death is never able to be seen as something natural. At times death can have accomplices. These accomplices which include hate, envy, pride and adversary can turn the experience into something more painful and unjust.

Through the Resurrection of Jesus death can be presented from poisoning our life, to spoil our affections, to make us fall into the darkest void. Faith in the Resurrection allows us to be sustained in faith; the experience of mourning can strengthen the bonds within the family.

Remember in the Gospel Jesus gave back the child to the widowed mother; He will do the same with all of our loved ones and with us when we meet them; when death is finally conquered within us. It has been conquered by the Cross of Jesus.

The work of the ministry of bereavement continues our support of grieving families and the wider community. This important program of formation being undertaken in our parishes encourages a community-based approach to supporting bereaved people in their experience of grief and loss.

It is my hope that the Ministry will provide a source of healing and support for all the bereaved into the foreseeable future".

Left: **CMCT's Mark Hamilton with Bishop Brady**
Above: **Father Erick Niyiragira of St Brigid's, Marrickville, one of the pilot parishes**



OBJECTIVE #7

Ensuring Financial Strength

F FINANCE LEADING THE WAY

Through prudent financial stewardship, CMCT has continued to deliver strong results with the consolidated revenue

target exceeded, a healthy Balance Sheet and a resilient investment portfolio. This strong financial foundation ensures that the CMCT is well positioned to meet our perpetual maintenance obligations and to continue to pursue strategic growth opportunities.

Highlights for 2017-2018 include the Perpetual Care Review, resulting in accrued liabilities and perpetual care funds in surplus for both for the first time. CMCT developed methodology for fair land evaluation which was subsequently approved and adopted by other crown cemetery operators. The implementation of the automated expense manager software was completed, making data entry almost obsolete and transactions easily retrievable. The Risk Management Audit was undertaken and subsequent Risk Policy and Framework established a profile and register that will be continually monitored, with metrics on how it is implemented.

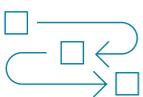
OUR FINANCIAL STRATEGY FOR GROWTH

Short Term

- Broad range of quality product and service offerings with an increasing focus on memorialisation.
- Continue to introduce more flexible payment options.
- Strengthen and expand our stakeholder relationships
- Develop the St Caterina Crypt complex at Rookwood.
- Secure development approval for Varroville and Wallacia sites.

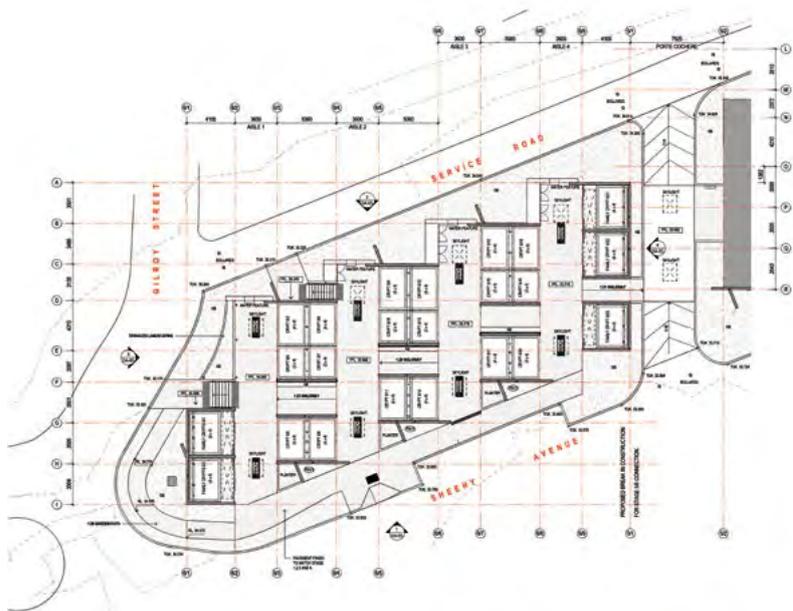
Long Term

- Development of a long term Community Engagement and consumer transition strategy for new cemeteries in Western Sydney.
- Commence operations at Varroville and Wallacia.



85%

OF 5,000 TRANSACTIONS ARE NOW AUTOMATED

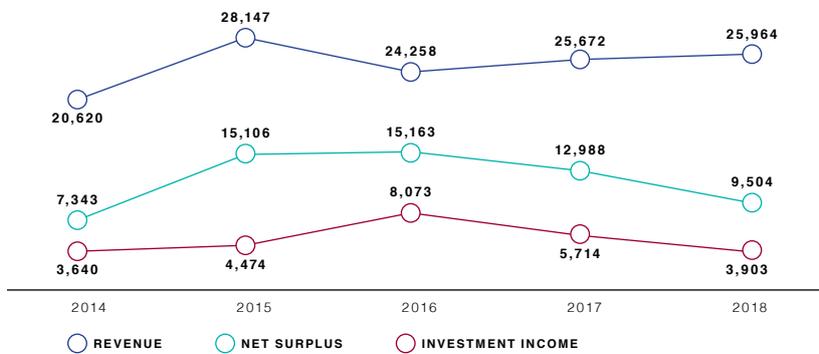


Right: **The forthcoming St Caterina Crypt complex: another example of how the CMCT is meeting the community's future needs**

Financial Report

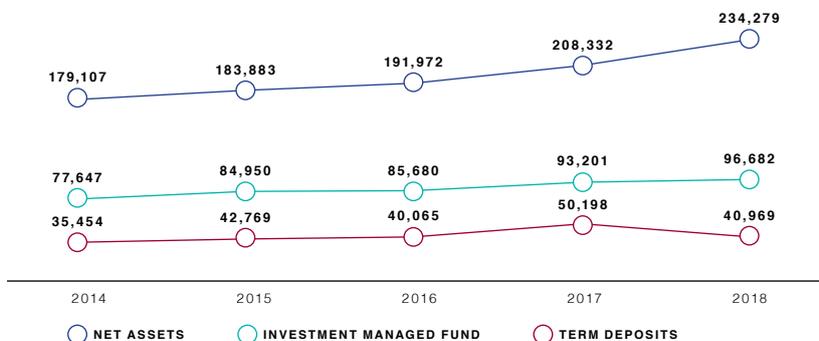
Financial Performance

- Revenue increasing mainly due to sales of high margins products (e.g. grave licences) and flexible payment options, as well as building stronger relationships with community groups.
- Decline in the Investment income a reflection of the Emerging Markets and equities in the Australian Financial and Telecommunication sectors.
- Decline in Net Surplus of \$3.5m due to lower dividend income and higher expenditure.



Financial Position

- Decline in Term Deposits by \$9.2m with the purchase of Wallacia.
- Investment Managed Funds grew at 4% in a high volatility, low interest environment
- Net Assets increased by 12% this year with the 68% growth of Property, Plant & Equipment due to the revaluation to fair value of land (\$15.7m) and purchase of Wallacia (\$12.4m).



Catholic Metropolitan Cemeteries Trust

ABN: 85 744 325 709

General purpose financial statements for the year ended 30 June 2018.

Contents

- 30** Statement of Profit or Loss and Comprehensive Income
- 31** Statement of Financial Position
- 32** Statement of Changes in Equity
- 33** Statement of Cash Flows
- 34** Notes to the Financial Statements
- 53** Board Member's Declaration
- 54** Independent Auditor's Opinion

Statement of Profit or Loss and Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	4(a)	25,963,760	25,537,706
Cost of sales	5	(8,854,654)	(8,595,202)
Gross profit		17,109,107	16,942,504
Expenses			
Employee & Associated costs	6	6,145,344	6,011,881
Administrative expenses	7	402,688	386,049
Operating expenses	8	2,805,986	1,274,858
Depreciation	13	1,299,114	1,406,964
(Profit) & Loss on Disposal		2,549	2,556
Marketing		1,113,087	795,471
Total Expenses		11,768,767	9,877,779
Results from operating activities		5,340,340	7,064,726
Interest and Investment Income	4(b)	3,902,719	5,714,490
Other Income		261,208	209,037
Result for the period		9,504,267	12,988,252
Other comprehensive income			
<i>Items that have been reclassified to profit or loss</i>			
Available for-sale financial assets – change in fair value		941,713	3,371,243
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of land		15,711,341	–
Total comprehensive income for the period		26,157,322	16,359,495

The notes on pages 34 to 52 are an integral part of these financial statements.

Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	9	5,883,925	4,389,878
Trade and other receivables	10	1,564,219	1,195,404
Inventories	11	16,611,826	15,311,701
Investments	12(a)	137,600,825	143,398,695
Total current assets		161,660,795	164,295,678
Non-Current Assets			
Loans Receivable	12(b)	1,800,000	1,425,000
Property, plant and equipment	13	80,565,586	48,013,631
Total Non-Current Assets		82,365,586	49,438,631
Total assets		244,026,381	213,734,309
Current Liabilities			
Trade and other payables	14	2,950,910	1,355,939
Deferred income	15	4,205,267	2,446,604
Employee benefits	16	783,545	697,095
Total Current Liabilities		7,939,722	4,499,638
Non-Current Liabilities			
Deferred income	15	1,554,982	703,707
Employee benefits	16	252,519	199,127
Total Non-Current Liabilities		1,807,501	902,834
Total Liabilities		9,747,223	5,402,472
Net assets		234,279,158	208,331,837
Equity			
Accumulated General Funds	24	218,770,857	209,476,589
Asset Revaluation Reserve	24	15,711,341	-
Movement in Market Value	24	(203,040)	(1,144,752)
Total Equity		234,279,158	208,331,837

The notes on pages 34 to 52 are an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Accumulated surplus fund %		Available-for-sale investment reserve \$	Total \$
Balance at 30 June 2016		196,488,337	–	(4,515,996)	191,972,342
Result for the period		12,988,252	–	–	12,988,252
Net change in fair value of available-for-sale investment reserve		–	–	3,371,243	3,371,243
Balance at 30 June 2017		209,476,589	–	(1,144,752)	208,331,837
Result for the period		9,504,267	–	–	9,504,267
Revaluation of Land to Fair Value	24(b), 3(f) & (l)	–	15,711,341	–	15,711,341
Prior Year Adjustment for Provision for future Monuments	15	(210,000)	–	–	(210,000)
Net change in fair value of available-for-sale investment reserve	24(c)	–	–	941,713	941,713
Balance at 30 June 2018		218,770,857	15,711,341	(203,039)	234,279,158

The notes on pages 34 to 52 are an integral part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash receipts from customers		31,604,720	32,052,873
Cash paid to suppliers and employees		(22,229,246)	(18,887,160)
Interest received		363,040	314,012
Net cash from operating activities	9	9,738,514	13,479,726
Cash flows from investing activities			
Proceeds from property, Plant & equipment		34,545	77,618
Acquisition of property, plant and equipment		(18,176,821)	(3,677,298)
Proceeds from the realisation other investments		13,272,808	–
Acquisition of other investments		(3,000,000)	(8,881,893)
Loan to RNT		(375,000)	(400,000)
Net cash used in investing activities		(8,244,467)	(12,881,573)
Net increase/(decrease) in cash and cash equivalents		1,494,046	598,153
Cash and cash equivalents at the beginning of the year		4,389,878	3,791,725
Cash and cash equivalents at 30 June	9	5,883,925	4,389,878

The notes on pages 34 to 52 are an integral part of these financial statements.

1. REPORTING ENTITY

Catholic Metropolitan Cemetery Trust (CMCT) trading as Catholic Cemeteries and Crematoria (CCC), is a Trust constituted under the Crown Lands Act 1989 (NSW) of which the Catholic Cemeteries Board has been appointed as the statutory Trust manager pursuant to section 95 of the Crown Lands Act 1989. Catholic Cemeteries Board (CCB) was created under a statute dated 23rd October 1996 under the code of Canon law of the Roman Catholic Church. CCB has been appointed as the Trust manager of the Crown Land Trusts and currently operates three cemeteries in the Archdiocese of Sydney. These cemeteries are Rookwood (Necropolis), Kemps Creek and Liverpool. The address of the Trust's registered office is Unit E2, 101 Rookwood Road, Yagoona NSW 2199.

The Cemeteries and Crematoria Act 2013 effectively became operational on 1 November 2014 with the appointment of the CCNSW Board and transfer of responsibilities from the Crown Land division to CCNSW. CCNSW has the responsibility to regulate the cemetery industry and administer the Act.

Operations and principal activities

The principal activities of the Trust are to provide and maintain burial sites for all members of the community, caring for families with dignity and respect.

The financial statements were approved by the Board of Governors on 22 August 2018.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASs) adopted by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. The method used to measure fair value are discussed further within the relevant notes.

(c) Comparative Figures

Where required by Accounting Standards or Governor reclassification, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(d) Functional and presentation of currency

The financial statements are presented in Australian dollars, which is the Trust's functional currency.

(e) Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (CONTINUED)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 11 – valuation of Inventory
- Note 15 – classification of Deferred Income
- Note 16 – valuation of Employee benefits
- Note 17 – valuation of Contingent Liabilities.

(f) Fair Value Measurement

When measuring the fair value of an asset or a liability, the Trust uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies have been consistently applied to all periods presented in these financial statements.

(a) Income tax

The Trust is a not-for-profit organisation and has been advised by the Australian Charities and Not-For-Profit Commission (ACNC) that it is exempt from Income Tax pursuant to the *Income Tax Assessment Act 1997*. The Trust has been endorsed by the ACNC as a charity.

(b) Revenue

Income is recognised in accordance with AASB 118 *Revenue* and is recognised to the extent that it is probable that the economic benefits will flow to CMCT and the income can be reliably measured at fair value. Amounts disclosed as revenue are shown net of returns, allowances and duties and taxes.

(i) Licences granted/Goods sold

Fees received for the rights of interment for graves, crypts and cremations are recognised as revenue at the time of purchase. Fees received for interment, cremation and memorialisation products (e.g. plaques) are recognised as Revenue from the granting of a burial license or sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns.

Revenue is recognised when substantial evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of the sales agreement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ii) Services**

Revenue from services, including interments, cremations and chapel services, is recognised in the Statement of Comprehensive Income in the period that the goods or services are provided.

(iii) Interest and Investment income

Interest income is recognised as it accrues in the Statement of Comprehensive Income, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income 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.

(c) Goods & 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

(d) Financial Instruments

The Trust initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Trust becomes a party to the contractual provisions of the instrument. The Trust has the following non-derivative financial assets: held-to-maturity financial assets, receivables, cash and cash equivalents and available for sale financial assets.

(i) Held-to-maturity financial assets

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets comprise investments in term deposits not qualifying for recognition as cash and cash equivalents.

(ii) Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Receivables consist predominately of trade debtors in relation to the provision of goods and services. Collectability of debtors is reviewed on an ongoing basis. A provision for impairment is raised when there is some doubt as to whether collection exists.

(iv) Cash and cash equivalents

Cash and cash equivalents 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, and are used by the Trust in the management of its short-term commitments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(v) Available -for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to the Statement of Profit or Loss and Comprehensive Income. Available-for-sale financial assets comprise the Trust's diversified Managed Funds held with Russell Investments.

(e) Inventory – Unsold Burial Licence

Inventories are classified as either Unsold Burial licences conferring a right of burial or construction of burial sites in progress. They are measured at the lower of cost and net realisable value and consist of the following components:

- (i) Developed costs represent inventories based on the average cost for construction per unit for graves, crypts, cremated remains and vaults. They are finished goods deemed (a) Available for Sale, (b) Reserved and (c) Not Available (where all the Development costs are been incurred). The carrying amount of the Unsold Burial Licenses is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those assets.
- (ii) WIP and grave extensions includes expenditure on inventories partially constructed but not available for sale.
- (i) Purchase Price Variance (PPV) represent variations between standard and actual costs that are periodically cleared to COGS in the Statement of Comprehensive Income when the project is completed.

(f) Property, plant and equipment

All property, plant and equipment is stated at historical costs less accumulated depreciation and impairment losses, with the exception being Land which is stated at fair value. The depreciable amount of all property, plant and equipment, other than Land, are depreciated over their useful lives commencing from the time the asset is held ready for use. They are depreciated over their expected useful lives using the straight line method. The carrying amount of the property, plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those assets.

Where an asset's life is not expected to greatly exceed twelve months, or expenditure of a minor capital nature up to \$1,000, it is written off and not capitalised. The expected useful lives are as follows:

Buildings & Ground improvements	40 years
Property improvements	10 years
Furniture, Fittings & Fixtures	10 years
Motor Vehicles	7 years
Plant & Equipment, Software and Office Equipment	5 years
Computers & Ancillaries	3 years

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposal of property, plant and equipment are taken into account in determining the surplus/loss for the financial year. Capital works projects for improving and extending the economic life of infrastructure is to be capitalised.

The asset class of Land is stated at fair value for the purpose of cemetery operations. Revaluations shall be 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. CMCT conducts a comprehensive revaluation at least every three years for its land where the market approach is the most appropriate valuation technique.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Increases in the carrying amounts arising on revaluation of land are recognized in other comprehensive income and accumulated in asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognized in profit & loss, the increase is first recognised in profit & loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit & loss.

To align with the treatment of all other Crown Cemetery Trusts (CCTs), CMCT has determined to transition Land from cost to fair value. In May 2017, the Trust engaged an external independent qualified valuer (Opteon Solutions), who holds a recognised relevant professional qualifications and has experience in property valuation, to develop a Crown Cemetery Valuation Policy in accordance with the requirements of AASB 116 *Property, Plant and Equipment*. The report was finalised in August 2017.

Opteon Solutions has provided fair value revaluations as at 30 June 2017 using the market approach for Land. The key input 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 discounts rates factored into the valuation were approximately 90% based on location of cemetery and this was applied to the cemetery land that has been buried out given its utility is limited.

While Rookwood, Liverpool and Kemps Creek was assessed at fair value, Varroville and Wallacia is recorded at cost as at 30 June 2018. In regards to Varroville, the DA for design was not approved. However, Varroville's valuation and subsequent purchase in 2015 was based on Urbis's assessment of "*potential net trading cash flows that are likely to be generated from longer term cemetery activities on the site*".

The critical assumption of 136,000 grave sites remains unchanged. The risk of a large decrement of Varroville's value is unlikely given the Sydney region has experienced rising property prices since 2015 until recently.

In regards to Wallacia, while a 10% premium was paid to settle the acquisition in August 2017, the valuation was based on the permissible use under the current zone which included a cemetery operations. In addition, this is in close proximity to the development of the Badgerly's Creek Airport.

Therefore there is little risk of material decrement for Varroville and Wallacia and AASB 116 does allow for a class of assets to be revalued on a rolling basis provided revaluation is completed within a short period and provided the revaluations are kept up-to-date.

The following table details the valuation of the Trust's land.

Cemetery Location	Land Area (HA)	\$
Rookwood	86	15,835,608
Liverpool	10.09	9,425,670
Kemps Creek	8.99	3,420,000
Varroville	113.37	15,118,936
Wallacia	44.44	12,414,139
Total	262.89	56,214,353

(g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Trust during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Trade and other payables are recognised initially on trade date at fair value less any directly attributable transaction costs. Subsequent to initial recognition, payables are measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Deferred Income**

Deferred income represents:

- (a) part payments for burial licences where settlement is generally longer than 3 months from the initial deposit. Upon receiving payment in full, ownership of burial licence is transferred to client and all related amounts are then recognised as revenue.
- (b) prepaid future services (i.e. cremations, cremated remain interments and interments) which can be redeemed anytime. Upon redemption, the amounts are then recognised as revenue.

(i) Employee Provisions

Provision is made for CMCT's liability for employee benefits and on costs arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the Trust to employee superannuation funds and are charged as expenses when incurred. Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Impairment

At the end of each reporting period, the Trust assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If 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 value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

(k) Segment Reporting

Catholic Metropolitan Cemeteries Trust (CMCT) operates in New South Wales, predominately in one industry, being the cemetery industry wholly within Australia.

(l) Change to Accounting Policies and disclosures**Fair Value for Land**

According to AASB 108 (Changes to Accounting Policy), the initial application of a policy to revalue assets in accordance with AASB 116 is AASB 116 rather than AASB 108. According to AASB 116, the revaluation is recognised in annual periods beginning or after the date of initial application of that amendment.

Therefore the date of recognition is 1 July 2017 with the value increasing from \$28m to \$56m being accounted in Fixed Assets and Asset Revaluation Reserve (Equity). There will be no changes to the 2017 Finance Report.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) Application of new and revised Accounting Standards**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Trust has decided not to early adopt.

Standards and interpretations in issue not yet adopted

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 <i>Financial Instruments</i> , and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> , AASB 2017-8 <i>Amendments to Australian Accounting Standards – Effective date of AASB 15</i>	1 January 2019	30 June 2020
AASB 16 <i>Leases</i>	1 January 2019	30 June 2020
AASB 1058 <i>Income of Not-for-profit Entities</i>	1 January 2019	30 June 2020
AASB 2016-8 <i>Amendments to AAS Australian Implementation Guidance for Not-For-Profit Entities</i>	1 January 2019	30 June 2020

4. REVENUE AND OTHER INCOME

	2018 \$	2017 \$
(a) Revenue		
Licences	18,613,483	18,955,241
Interments	4,651,653	4,253,854
Others	2,698,624	2,463,047
	25,963,760	25,672,141
(b) Interest and investment income		
Interest income	1,072,176	1,298,196
Investment Income from Managed Funds	2,496,349	4,150,600
Imputation Credits	334,195	265,693
	3,902,719	5,714,490

5. COST OF SALES AND OTHER EXPENSES

	2018 \$	2017 \$
Cost of Sales		
Licences	(4,407,064)	(4,563,022)
Interments	(1,877,755)	(1,757,239)
Others	(2,569,834)	(2,274,941)
	(8,854,654)	(8,595,202)

6. EMPLOYEE & ASSOCIATED COSTS

	2018 \$	2017 \$
Salary and wages	5,445,919	5,417,905
Superannuation entitlements	502,357	490,756
Employee leave entitlements	209,164	167,811
Fringe benefit tax	92,555	88,142
Associated Costs	329,128	364,664
Cost Recovery to COGS	(1,360,042)	(1,367,756)
Others Employee Costs	926,262	850,357
	6,145,344	6,011,881

7. ADMINISTRATIVE EXPENSES

	2018 \$	2017 \$
Administrative Expenses	1,204,721	1,097,143
Cost Recovery to COGS	(802,033)	(711,094)
	402,688	386,049

8. OPERATING EXPENSES

	2018 \$	2017 \$
Operating Expenses	3,687,298	2,181,915
Cost Recovery to COGS	(881,312)	(907,058)
	2,805,986	1,274,858

9. CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Cash on hand/Petty Cash	2,700	2,700
Bank balances	4,863,199	4,385,442
Call deposits	1,018,026	1,736
	5,883,925	4,389,878

Reconciling Surplus for the year for Net Cash Flows from Operating Activities

Result for the period	9,504,267	12,988,252
Adjustments for:		
Depreciation	1,299,114	1,406,964
(Gain) & Loss on Disposal	2,549	2,556
Investment distributions reinvested	(3,533,224)	(5,400,477)
(Increase)/Decrease in Trade debtors	(315,654)	1,038,444
(Increase)/Decrease in Other Debtors	(53,162)	(31,374)
(Increase)/Decrease in Inventories	(1,300,125)	1,592,933
Increase/(Decrease) in Trade Creditors	1,584,161	332,298
Increase/(Decrease) in Sundry Creditors	10,809	144,006
Increase/(Decrease) in Deferred Income	2,399,937	1,408,184
Increase/(Decrease) in Provisions	139,842	(2,062)
Net cash from operating activities	9,738,514	13,479,726

10. TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Trade receivables	1,476,228	1,160,574
Other Debtors & Receivables	87,991	34,829
	1,564,219	1,195,404

	2018 %	2017 %	2018 \$	2017 \$
Ageing analysis of trade receivables:				
Current trade receivables	93	96	1,368,137	1,117,602
Receivables aged 0–14 days	2	0	25,974	(4,378)
Receivables aged 15–30 days	4	1	59,240	14,325
Receivables aged 31–45 days	1	0	11,535	(36)
Receivables aged 45+ days	1	3	11,342	33,060
Total trade receivables	100	100	1,476,228	1,160,574

11. INVENTORIES

	2018 \$	2017 \$
Grave licences	2,519,744	2,780,598
Crypt licences	9,904,973	7,317,400
Vault licences	200,000	225,000
Cremated remains	2,959,686	3,071,515
Inventory Grave Extensions	52,454	18,174
Work-In-Progress	974,969	1,899,014
	16,611,826	15,311,701

The Board has applied current development costs to all developed unsold burial plots resulting in an adjustment to the value to Unsold Burial Licences. WIP and Grave extensions represent ongoing projects and balances will be cleared upon completion.

12(a) INVESTMENTS

		2018 \$	2017 \$
Other Financial Assets			
Bills and Term Deposits	(a)	40,968,561	50,198,039
Managed Funds	(b)	96,632,263	93,200,656
Total Investments		137,600,825	143,398,695

The purpose of Other Financial Assets is to generate real returns to satisfy future maintenance obligations when a cemetery is unable to generate sufficient income as all available burial plots are extinguished. Managed Funds are at fair value and managed by Russell Investments.

Term deposits are held at cost and are classified as held-to-maturity investments. Term deposits held by the Trust during the financial year had maturity terms ranging from 3 to 12 months with ADI's that have a long term credit rating ranging between BBB+ to A. Interest rates range between 2.40% to 2.61% and generated \$1,043,330 in interest income.

12(b) LOANS

An interest free loan up to \$2.7m represents a commitment by the two operating trusts at Rookwood (CMCT and Rookwood General Cemetery Reserve Trust) to fund a 5 year \$11.2m capital works program managed by RNT, who is responsible for the common property at Rookwood. As at 30 June 2018, CMCT has contributed \$1.8m and the program is completed. Repayments are to commence from August 2018.

		2018 \$	2017 \$
Loans			
Loan to Rookwood Necropolis Trust (RNT)		1,800,000	1,425,000
Total Loans		1,800,000	1,425,000

13. DETAILED PROPERTY, PLANT AND EQUIPMENT AND PROJECTS UNDER CONSTRUCTION (WIP)

Cost	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Computer & Office Equipment \$	Ground & Property Improvement \$	Under Construction \$	Total \$
Balance at 30 June 2017	28,088,873	17,692,411	1,857,379	800,536	2,391,250	4,610,480	2,171,127	57,612,056
Transfer of assets	12,414,139	1,078,718	160,573	-	239,146	27,296	(13,919,872)	-
Additions	-	-	51,459	347,611	151,278	-	17,767,554	18,317,903
Disposals	-	-	-	(290,667)	(23,187)	-	-	(313,854)
Asset Revaluation	15,711,341	-	-	-	-	-	-	15,711,341
Balance at 30 Jun 2018	56,214,353	18,771,130	2,069,411	857,480	2,758,487	4,637,776	6,018,810	91,327,446
Depreciation and impairment losses								
Balance at 30 Jun 2017	-	(5,839,438)	(1,241,579)	(259,289)	(1,592,585)	(665,534)	-	(9,598,425)
Disposal of assets	-	-	-	114,554	21,124	-	-	135,678
Transfer of assets	-	(24,768)	-	(2,063)	(7,338)	34,169	-	-
Depreciation for the year	-	(494,994)	(266,837)	(120,116)	(288,462)	(128,705)	-	(1,299,114)
Balance at 30 Jun 2018	-	(6,359,200)	(1,508,416)	(266,914)	(1,867,261)	(760,070)	-	(10,761,861)
Carrying amount								
at 30 Jun 2017	28,088,873	11,852,973	615,799	541,247	798,665	3,944,946	2,171,127	48,013,631
at 30 Jun 2018	56,214,353	12,411,930	560,995	590,566	891,226	3,877,706	6,018,810	80,565,586

14. TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Trade payables	2,188,039	603,878
Non-trade payables and accrued expenses	762,871	752,062
	2,950,910	1,355,939

	2018 %	2017 %	2018 \$	2017 \$
Ageing analysis of trade payables:				
Current trade payables	52	62	1,135,794	376,846
Payables aged 1–14 days	43	19	930,347	113,160
Payables aged 15–30 days	3	5	65,769	30,198
Payables aged 31–45 days	3	14	56,128	83,674
Total trade payables	100	100	2,188,039	603,878

15. DEFERRED INCOME

	2018 \$	2017 \$
Current		
Prepurchase Plan – Community Group Deals	360,937	326,747
Prepaid redeemable transactions	3,844,330	2,119,857
Total current deferred income	4,205,267	2,446,604
Non-current		
Prepurchase Plan – Community Group Deals	1,554,982	703,707
Total non-current deferred income	1,554,982	703,707
Total deferred income	5,760,248	3,150,311

16. EMPLOYEE BENEFITS

	2018 \$	2017 \$
Current		
Liability for annual leave	561,906	508,194
Liability for long-service leave	221,639	188,900
	783,545	697,095
Non-Current		
Liability for long-service leave	252,519	199,127
	252,519	199,127
Total employee benefit liabilities	1,036,064	896,222

17. CONTINGENT LIABILITIES

(a) Perpetual Care

All funds except those required for current operations and capital improvements are regarded as Perpetual Care Funds. Perpetual Care funds are accumulated to provide for the on-going maintenance of the cemeteries after all burial licenses have been sold. Each Cemetery and consequently CCB, has an obligation to maintain the cemeteries of which it is the manager, in perpetuity. These Perpetual Care funds need to be maintained and improved by return on investment, as well as contribution of additional surplus income.

The Catholic Cemetery Board commissioned KPMG to conduct an actuarial review of perpetual care requirements of its cemeteries as at 30 June 2017. The scope of the review includes estimating the Perpetual Care Surplus (Deficit), analysis of current pricing structures, advice on investment strategy and financial position observations. The outcome was the available funds of CMCT was surplus by \$1.365m to meet the estimated Perpetual Care Target of \$142.2m. The main source of funding for the liability are the investments disclosed in Note 12. Since the last review, investments have increased by \$42.1m to \$143.6m as \$15.1m and \$13.4m respectively was allocated for the purchase of Varroville and Wallacia for cemetery purposes. The review is conducted every four years with the next review as at 30 June 2021.

(b) Sold Unused Burial Licences

The Governors are of the opinion that provisions are not required in respect of these matters. Sold unused burial licenses are recorded as contingent liabilities. The valuation is as per Board's policy, valuing the licenses at the higher of purchase price at the time of purchase less 10% impairment of value or 50% of current selling price less 10% impairment of value.

18. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classifications and fair values

30 June 2018	Note	Held-to-maturity \$	Loans and receivables \$	Carrying value Available-for-sale \$	Other financial liabilities \$	Total \$	Fair value Level
Financial Assets measure at fair value							
Managed Funds	12(a)	-	-	96,632,263	-	96,632,263	Level 1
Term deposits with a maturity greater than 3 months	12(a)	40,968,561	-	-	-	40,968,561	
		40,968,561	-	96,632,263	-	137,600,825	
Financial assets not measured at fair value							
Trade and other receivables	10	-	1,564,219	-	-	1,564,219	
Cash and cash equivalents	9	-	5,883,925	-	-	5,883,925	
Loans	12(b)	-	-	-	1,800,000	1,800,000	
		-	7,448,143	-	1,800,000	9,248,143	
Financial liabilities not measured at fair value							
Trade payables	14	-	-	-	2,950,910	2,950,910	
		-	-	-	2,950,910	2,950,910	
30 June 2018							
Financial Assets measure at fair value							
Managed Funds	12(a)	-	-	93,200,656	-	93,200,656	Level 1
Term deposits with a maturity greater than 3 months	12(a)	50,198,039	-	-	-	50,198,039	
		50,198,039	-	93,200,656	-	143,398,695	
Financial assets not measured at fair value							
Trade and other receivables	10	-	1,195,404	-	-	1,195,404	
Cash and cash equivalents	9	-	4,389,878	-	-	4,389,878	
Loans	12(b)	-	-	-	1,425,000	1,425,000	
		-	5,585,282	-	1,425,000	7,010,282	
Financial liabilities not measured at fair value							
Trade payables	14	-	-	-	1,355,939	1,355,939	
		-	-	-	1,355,939	1,355,939	

18. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(b) Financial risk management

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

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

(i) Risk Management framework

The Board has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Board Members have established the Audit, Risk Management and Corporate Governance Committee, which is responsible for developing and monitoring the Trust's risk management policies. The committee reports regularly to the Board 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, Risk Management and Corporate Governance 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 \$5,883,925 at 30 June 2018. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to AA+, except for Catholic Development Fund (\$4,863,199). Deposits with the Catholic Development Fund are guaranteed by CDPF Limited, a company established by the Australian Catholic Bishops Conference but do not obtain the benefit of the depositor protection provisions of the Banking Act 1959.

The Catholic Development Fund and the Trustees of the Roman Catholic Church for the Archdiocese of Sydney are not subject to the provisions of the *Corporations Act 2001* nor are they examined, approved or supervised by the Australian Securities and Investments Commission (ASIC) or by the Australian Prudential Regulatory Authority (APRA). Therefore funds are kept to a minimum working capital level.

18. FINANCIAL INSTRUMENTS – FAIR VALUES AND 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. An objective of the Finance & Investment Committee is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Details of the investment returns from each of the financial investments listed below has been disclosed in Note 12 to the financial statements.

	Fixed return financial investments \$	Variable return financial investments \$	Carrying value at 30 June 2018 \$
Term deposits	40,968,561	–	40,968,561
Managed Funds	–	96,632,263	96,632,263
Total investments	40,968,561	96,632,263	137,600,825

	Fixed return financial investments \$	Variable return financial investments \$	Carrying value at 30 June 2017 \$
Term deposits	50,198,039	–	50,198,039
Managed Funds	–	93,200,656	93,200,656
Total investments	50,198,039	93,200,656	143,398,695

19. CAPITAL COMMITMENTS

As at 30 June 2018, below are the capital commitments for Major Works performed that will be realised within 12 months:

	2018 \$	2017 \$
Major Works		
St Lucia Stage 1	–	503,482
Road Upgrades at Rookwood	643,825	–
Total	643,825	503,482

20. RENTAL & OPERATING LEASES

CMCT has entered into contractual lessee agreements which does not have an option to purchase the property at the expiry of the lease period.

	Photocopiers	Rent for Unit E3 Yagoona	Rent for Unit E2 Yagoona	Total
0 – 1 Years	54,701	35,704	67,699	158,104
1 – 5 Years	164,103	189,521	285,314	638,939
5+ Years	–	–	391,670	391,670
	218,805	225,225	744,683	1,188,713

21. RELATED PARTY TRANSACTIONS

The following were key management personnel of the Trust at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-executive Governors	Executive Management
The Hon Gregory Smith SC -Chairperson	Mr Peter O'Meara (Chief Executive Officer)
Sr Maria Wheeler – Deputy Chairperson	Mr Melvyn White (Chief Operating Officer)
Bishop Terence Brady DD VG	Mr John Richardson (Director, Planning & Facilities, Resigned 28 June 2018)
Mrs Grace Fava	Mr David Renneberg (Chief Finance Officer)
Mr Tony Khoury	Ms Lauren Hardgrove (Director, Client Services)
Ms Margaret McCue	Mrs Narrelle Hunt (Human Resources Manager)
Mr Anthony Farley	Mr Stephen Stewart (Western Region Manager, Cemetery Services)
Mr Danny Casey	Mr Stephen Bedford (Director, Planning & Facilities, Appointed 21 August 2017 Resigned 29 May 2018)
Mr Anthony Cleary	
Ms Selina Hasham	
The Hon Leo McLeay – Chairperson (Resigned, 29 September 2017)	
Mr Kevin Frappell (Resigned, 29 September 2017)	

(a) Governors' Stipend payments

With the commencement of the Cemeteries & Crematoria Act 2013 as at 1 November 2014, Governors are now entitled to compensation for their services in the form of a stipend and Superannuation Guarantee Levy, as well as reimbursement for actual expenses incurred in the course of carrying out their official duties. For the Financial year 2017/18, total remuneration was \$190,431.89. This was paid by CCB by a fund transfer from CMCT.

21. RELATED PARTY TRANSACTIONS (CONTINUED)**(b) Transactions with key management personnel**

The key management personnel (KMP) pay and reward framework is a total employment cost package that may be delivered as a combination of cash, other remunerations such as superannuation and prescribed non-financial benefits at management discretion.

	2018 \$	2017 \$
Short-term employee benefits	969,293	1,388,316
Post-employment benefits	85,834	225,461
	1,055,127	1,613,777

(c) Other related Party transactions

CMCT provides services to maintain the cemeteries managed by CCB – North Rocks and Greendale.

	2018 \$	2017 \$
CCB – Greendale Maintenance Charges	35,521	32,062
NR – Corporate Support	25,000	33,260
	60,521	65,322

22. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to balance date which would have a material effect on the Trust's financial statements at 30 June 2018.

23. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor; Hill Rogers:

	2018 \$	2017 \$
Audit and review of financial reports:	35,475	39,500
Other services	18,079	2,000
	53,554	41,500

For 2018, of the overall audit fees of \$41,475 for review of financial reports of which, CCB and North Rocks has been assigned \$3,000 each.

24. CAPITAL AND RESERVES

(a) Accumulated funds

Accumulated Funds are funds that have been set aside for the furtherance of any or all of the Trust's purposes. These include the provision of perpetual care, development of the facilities and the establishment of additional sources of revenue.

(b) Asset Revaluation Reserve

This represents the revaluation of Freehold land from historical cost basis to fair value which has allowed us to align with the treatment of all other Crown Cemetery Trusts. Refer note 3(l)

(c) Available for Sale Investment reserve

The available-for-sale investments reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Board Member's declaration

BOARD MEMBER'S DECLARATION

In the opinion of the Board of the Catholic Metropolitan Cemeteries Trust:

- (a) the Trust is publicly accountable;
- (b) the financial statements and notes, set out on pages 30 to 52, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2018 and of its performance for the financial year ended on that date in accordance with the basis of preparation set out in Note 2; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 2 to the financial statements, and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Catholic Cemeteries Board.



Governor Hon G Smith SC



Governor T Khoury

Dated this 22nd day of August 2018

Independent auditor's opinion



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INDEPENDENT AUDIT REPORT TO CATHOLIC CEMETERIES BOARD AS STATUTORY MANAGER OF CATHOLIC METROPOLITAN CEMETERIES TRUST

Opinion

We have audited the accompanying financial report of Catholic Metropolitan Cemeteries Trust, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by members of the Board.

In our opinion, the financial report of the Catholic Metropolitan Cemeteries Trust is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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.

Responsibilities of Catholic Cemeteries Board for the Financial Report

Catholic Cemeteries Board is the statutory manager of Catholic Metropolitan Cemeteries Trust. Catholic Cemeteries Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*. Catholic Cemeteries Board'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.

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

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Independent auditor's opinion



Auditor's Responsibilities 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HILL ROGERS
ASSURANCE PARTNERS

A handwritten signature in black ink, appearing to read "B. Hanger".

Brett Hanger
Partner

Dated at Sydney, this 27th day of August 2018

Directory

Catholic Metropolitan Cemeteries Trust

ABN 85 744 325 709

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Yagoona NSW 2199
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Phone: 1300 114 997
enquiries@catholiccemeteries.com.au

Liverpool Cemetery
207 Moore Street
Liverpool NSW 2170
Phone: 02 9602 0344
info@liverpoolcemetery.com.au

Kemps Creek Cemetery
230–260 Western Road
Kemps Creek NSW 2178
Phone: 02 9826 2273
admin@kempscreekcemetery.com.au

North Rocks Catholic Cemetery
North Rocks Road
North Rocks NSW 2151
Phone: 1300 114 997
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Greendale Catholic Cemetery
447–455 Greendale Rd
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Back cover: **The official blessing and unveiling of the Cardinal Franjo Kuharic Statue at the Croatian Monumental Lawn, Kemps Creek Cemetery, 16 June 2018**



Catholic Cemeteries
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