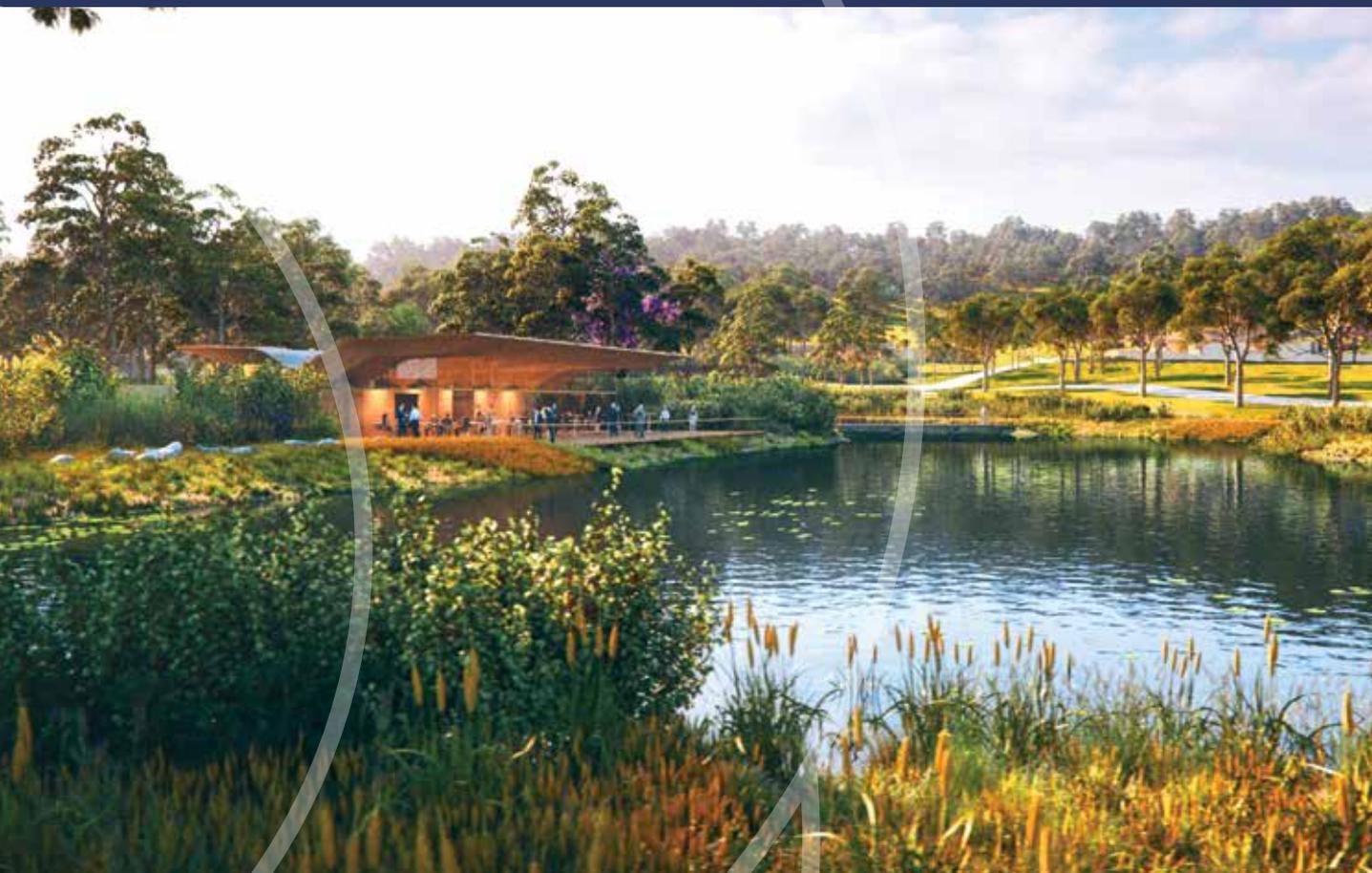




Catholic
Cemeteries +
Crematoria



Securing the Future
2019 Annual Report

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CMCT at a glance

The Catholic Cemeteries Board (CCB) + Catholic Metropolitan Cemeteries Trust (CMCT)



Our History 1867-2019

For over 150 years, Catholic Cemeteries and Crematoria has proudly provided caring funeral services, to everyone in the Sydney community.

Our Cemeteries

The CMCT is one of the largest cemetery trusts in NSW, currently managing five existing cemeteries, and is about to embark on the development of a major new cemetery for the Sydney community. CMCT is an independent not-for-profit organisation, managing and delivering high quality cemetery services to a diverse range of communities and families across Western Sydney.

- Rookwood Catholic Cemetery and 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)
- Approval for a new cemetery at Varroville, to be known as Macarthur Memorial Park, was granted in July 2019.

Our Beliefs

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 + Mission

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.



A message from our Chairperson + CEO

Securing the Future

One measure of a good society is how well it celebrates the memories of its deceased.



The Hon Greg Smith SC,
Chairperson;



Peter O'Meara, CEO

Every day, Catholic Metropolitan Cemeteries Trust (CMCT) honours its beliefs, by openly providing sacred places for the preservation of our community's memories. No matter the faith, what a person's background or personal preferences, we believe they should experience the same exceptional standard of personalised service and care during their bereavement.

These foundational beliefs provide a compelling framework for the delivery of our five 'Securing the Future' strategic priorities. Ongoing, our focus is firmly directed on securing our future by building a sustainable organisation, developing our people, enhancing community relationships, ensuring good governance and guaranteeing the availability of burial land for the greater Sydney community.

In this, the first year of our 2019-2021 Strategic Plan, we've concentrated on securing our long-term business sustainability by carefully managing the remaining burial land at Rookwood, Kemps Creek and Liverpool, with the introduction of a new cemetery development at Varroville, which will help alleviate the imminent shortage of cemetery land in metropolitan Sydney.

We've also worked to ensure that our perpetual maintenance obligations are fulfilled at all our cemetery locations, increased the professionalism of every aspect of our organisation to ensure the delivery of service excellence, to benefit today's and tomorrow's communities.

The Strategic Plan 2019-2021 outlines five key priorities:

1. Grow and maintain relationships
2. Business sustainability
3. Staff and culture
4. Service excellence
5. Enhanced governance and accountability

Operating in a not-for-profit but competitive environment, CMCT is conscious of the need to stay relevant and sustainable in the long-term. We're proud of the steps we've taken in FY 2018/19, toward the achievement of our strategic priorities and securing our financial future, by reconfiguring our corporate structure to maintain our not-for-profit and charitable status.

Enhancing our relationships

To help build a financially sustainable business model, we placed a strong emphasis on stakeholder engagement and community consultation. Two significant events were the opening of the Muslim Lawn at Kemps Creek and the Interfaith Service of Remembrance at St Mary's Cathedral, that provided bereavement support for those effected by the tragic terrorist attack in New Zealand.

The 2018/19 year also saw an expansion of our Grief Support offerings, which are integral to fulfilling our mission and makes CMCT unique within the industry. The services offered now include face-to-face, phone and email support, with the expansion of our pastoral support for families dealing with grief and loss.

Evolving our business model

While we continued our focus on maximising availability at both Rookwood and Liverpool, we also worked on ensuring that all faiths have adequate, affordable burial land. The 2019 year saw a strengthening of ties with both the Jewish and Muslim communities as we sought to assist the most vulnerable communities facing burial space shortage.

July 2019 saw the Development Application approved for Macarthur Memorial Park. The project now moves to the implementation phase, with civil works scheduled to start in February 2020, and the park to open in late 2021. Unfortunately the Wallacia cemetery development was rejected and we're now reconsidering our plans for the site.

As active stewards of lands and communities, we implemented strategies to reduce our carbon footprint and build an organisational culture that's socially sensitive and environmentally responsible. The innovative Rookwood Memorial Walk (a walk and bike track) progressed our goal to evolve our cemeteries into multipurpose locations, that can be used by communities not only in times of death, but also everyday life.

Empowering our staff

The growing culture throughout CMCT, is a source of great pride. This year, we continued to focus on developing the capabilities of our people and the emotional support we provide them, as carers of others' grief. Our wellbeing program was extended to further recognise their extraordinary efforts and the implementation of the people management program, provides a feedback model to better help us support them to deliver their best.

Exceptional service

Framed by our Strategic Plan, we're working toward a future that ensures the delivery of an exceptional experience for everyone who enters our grounds. This year's accomplishments included the conservation of some of our most significant monuments as well as landscape improvements to celebrate the unique qualities of our cemeteries.

The recent relocation of Head Office, from Yagoona to Sydney Olympic Park, has united our executives and team members, and provided easier access to the cemeteries and communities in Western Sydney. The executive management team was restructured, so that our people can continue to sensitively guide our families through the difficult and important provisions of service to our communities.

Greater accountability

As indicated in the Financial Report (page 41), CMCT's financial condition is very secure and we are well positioned to realise our ambitious vision to grow our cemetery footprint. We believe that our strong, balanced approach is a model for financial sustainability that will support our future innovations and service to the community.

Our 2018-19 financial year highlighted



CASH RESOURCES
2018 \$5.9m



OPERATING SURPLUS
2018 \$5.3m



REVENUE
2018 \$26M

Burial sales are strong but are yet to be reflected in the finances due to increases in deferred income. These dynamics continue to change the nature of our finances, as does the change in people's purchases from upfront to payment plans. Therefore, our financial forecasting models must continue to evolve and ideally anticipate further transitions that occur in the market.

Broader impacts on our 2019 results were the slowing of the Sydney death rate – impacting final figures from \$25 million to \$23 million. While fluctuations in death numbers are not new, these figures have had a short-term impact on our finances. Our forecasts need to incorporate the long-term impacts of this slowing death rate over the past five years, as life expectancy increases.

Thank you to our dedicated team

We would like to thank and acknowledge the commitment of our management and employees for their tireless efforts in ensuring that we maintain our excellence in customer and community service. Our current board has guided CMCT through a busy year, ensuring that our products and services remain responsive to the needs of the diverse communities that we serve and that we serve all our communities in line with our Catholic values. We also extend our thanks to the Office of the Archdiocese of Sydney for their continuing support and guidance, and the NSW Government who have contributed to the restructure of our business model.

On behalf of our team, we look forward to continuing our commitment to care and providing for the needs of our communities with affordable, innovative and sustainable cemetery services and burial space for our Sydney families.

The Hon Greg Smith SC
CHAIRPERSON

Peter O'Meara
CEO



Securing the future of Sydney's Cemeteries

With Sydney still relying on cemeteries that were built in the mid-nineteenth century, its burial infrastructure had unsurprisingly almost reached capacity. Thanks to the recent approval of a new multi-faith cemetery at Varroville, the future of multi-faith burials is now secure.



For many years religious communities have been calling on the NSW Government for land, having to resort to co-operative cross-faith land exchanges to ensure burial spaces for their dead. In areas such as Western Sydney, where multiple faiths singularly believe in burial over cremation, the situation had become critical, with consecrated Jewish and Muslim land due to run out within the next five years.

During 2019, the NSW Independent Planning Commission finally approved a new multi-faith cemetery, proposed by the Catholic Metropolitan Cemeteries Trust (CMCT). Located on the outskirts of Sydney at Varroville, between Camden and Campbelltown, the cemetery will add 136,000 burial plots over the next 100 years.



Preliminary work will soon commence, with CMCT's CEO, Peter O'Meara, saying that once completed, the Varroville cemetery will help meet the needs of the 35 percent of Sydneysiders who prefer burials for their family. Both Jewish and Muslim community leaders have welcomed the approval, which will go a small way to helping meet the needs of multi-cultural communities.

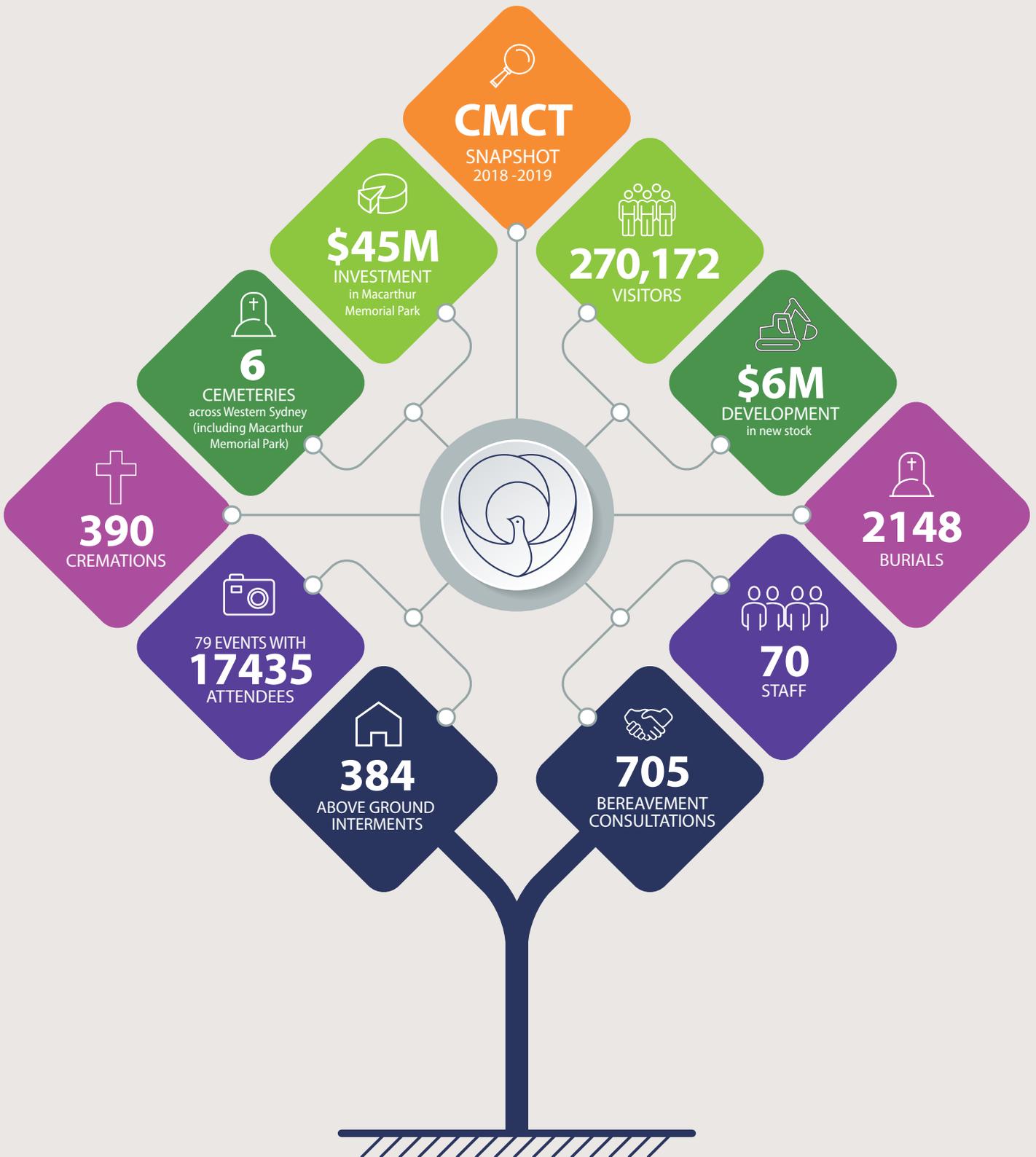
The approval means the trust can now help future generations meet the challenges of declining burial space in a rapid growth area of Sydney. "We have strong Catholic populations in Sydney's South West and the new cemetery will help us cater for their needs, as well as those from other denominations," Mr O'Meara said. "This approval ensures the interment practices and beliefs of all religious and cultural groups are respected and provided for. We welcome everyone to these world-class facilities and public recreational spaces", he added.

A 2017 government report had found that if there was no change to existing cremation and grave occupancy rates, cemetery capacity in metropolitan Sydney would have been exhausted by 2051. The NSW Minister for Water, Property and Housing, the Hon Melinda Pavey welcomed the approval, saying the vital infrastructure was a great step towards addressing the critical problem of diminishing burial space in Sydney.

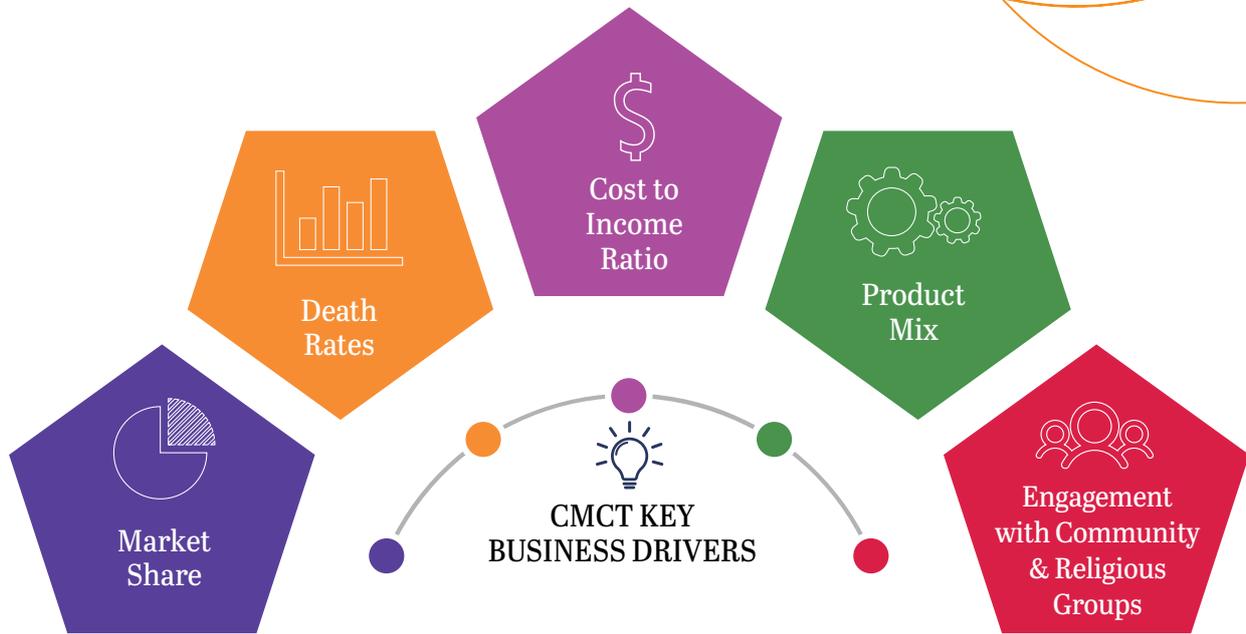
Chairman of the Riverstone Muslim Cemetery Board, Mr Kazi Ali said the lack of burial space had created a crisis for his community and more multi-faith cemeteries are long overdue. The Chief Executive Officer of the NSW Jewish Board of Deputies, Mr Vic Alhadeff also welcomed the new cemetery, saying "... this new cemetery will provide for our community's burial needs at least until the end of the century".

In addition to burial space, Varroville will include passive recreation areas, gardens and landscaped walkways accessible to everyone in the community in perpetuity.

2018 - 2019 CMCT Snapshot



Our 2019-2021 Strategic Direction



During the period, Catholic Metropolitan Cemeteries Trust (CMCT) developed a 3-year Strategic Plan for the period 2019-2021. Our plan is underpinned by a commitment to fulfilling our beliefs and vision as stewards of sacred memorial places. Its aim is to ensure that we're constantly striving to protect and care for our families, staff and stakeholders by delivering beyond their expectations, improving our service offering and serving our communities.

The ongoing management of our rolling 3-year plan is guided by consultation with community groups, the funeral sector, cultural and religious groups, residents, councils and government. It provides a clear focus for our organisation, guides our Strategic Priorities, Performance Objectives and ensures we secure our financial future.

Our five Strategic Priorities also form the structure of this Annual Report:

- Priority One:** Grow & Maintain Relationships
Grow and maintain relationships with communities and stakeholders.
- Priority Two:** Business Sustainability
Evolve our operating business model to ensure financial viability, meeting regulations and increase efficiencies to deliver our mission.
- Priority Three:** Staff & Culture
Empower staff to nurture a harmonious and safe workplace culture, to deliver our mission, vision and values.
- Priority Four:** Service Excellence
Provide a standard of service that meets and exceeds community expectations.
- Priority Five:** Enhanced Governance and Accountability
Ensure improved governance and greater accountability.



Strategic Priority 1: Grow & Maintain Relationships

We constantly strive to connect with our communities, so that we're reflecting their needs, preferences and beliefs. Our future focus is to ensure that we are proactively responsive and to adapt as needs change over time and location.

THE KEY OBJECTIVES

To grow and enhance relationships with our communities and many stakeholders:

- Religious, Cultural and Other Communities
- Funeral Directors
- Government
- Church
- Bereavement Services

PROGRESS HIGHLIGHTS

Catholic Metropolitan Cemeteries Trust (CMCT) is committed to actively engaging with its communities. This is demonstrated by our busy events calendar, our support for community-led events and other activities that are held within our cemeteries. Memorial services are staged at many sites throughout the year, providing our community members with an opportunity to remember and reflect. Mother's Day, All Souls Days Masses and Carols by Candlelight services were among the most popular events.

Cultural & Local Community Relationships

- Numerous events were held throughout the year to engage with the community, with many events held in conjunction with local funeral directors. Our Event Snapshots (pages 14-15) highlight the key events for the year.
- All our Carols by Candlelight events were well attended and continue to build deep ties with the surrounding community. Many attendees positively commented on how special it was to have family close by and were appreciative of a local community event.
- Closer interfaith and community ties were built during the year through events such as the Filipino events (Annual Feast of Our Lady of Penafrancia (Penrith)), and the Opening of the Muslim Lawn, at Kemps Creek.

Public Meetings

- Macarthur Memorial Park: 25 March 2019. A public meeting arranged by NSW Independent Planning Commission, where the key focus was to hear from the community. The event featured several speakers including Vic Alhadeff from the NSW Jewish Board of Deputies, Anwar Lutta from the Suburban Islamic Association and both Dr Jaime Lopez and Jorge Montano, for the Filipino community.
- Wallacia Memorial Park: 27 March 2019. Another public meeting arranged by NSW Independent Planning Commission, with David Marsh from the St Johns Park Bowling Club speaking in support of CMCT.

Funeral Directors, Clergy Connections and Business Relationships

- Numerous events were held throughout the year, with many held in conjunction with local funeral directors. Our Event Snapshots (pages 14-15) highlight the key events and the funeral directors involved in the events.
- Memberships at local business Chambers and the Catholic Business Network were actively pursued and built throughout the year.
- The Live-in Clergy Conference (Leura) reacquainted the Sydney clergy with the CMCT services and reminded them of the work we do to serve a vast range of community groups across Western Sydney.

Bereavement Support for Our Communities

- The 2018-19 year saw an expansion of our Grief Support offerings, to care for those families suffering loss. Our grief services are integral to fulfilling our mission and makes CMCT unique within the industry.

The expansion of services offered now covers:

- ◆ Face-to-face support
- ◆ Phone support
- ◆ Email support

- The team expanded to eight pastoral carers, for family outreach over the three months following a family death.



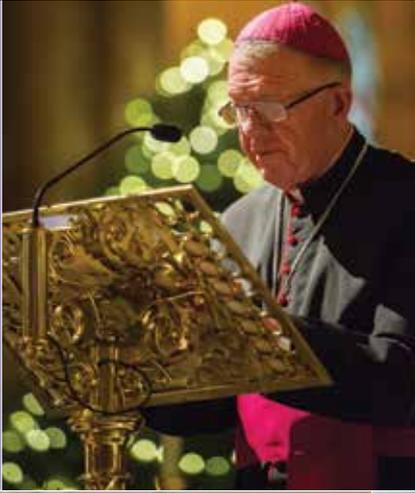
79 EVENTS
17435
ATTENDEES



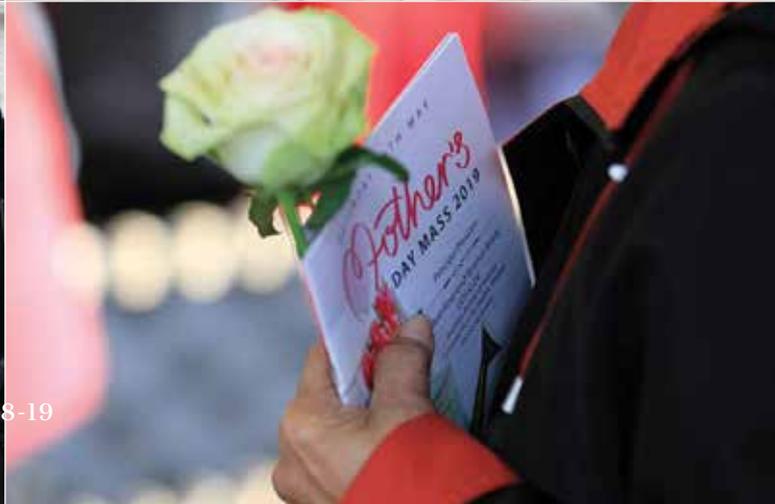
Our Event Snapshots



Christmas Remembrance Service at St Mary's Cathedral pays tribute to family and friends not with us at Christmas



Mother's Day Masses were well attended across Rookwood, Liverpool and Kemps Creek cemeteries





Annual Feast of Our Lady of Penafrancia (Penrith) has been sponsored since 2014, in support of our Filipino community.

Images: Mary Brazell/Diocese of Parramatta



Those attending the Carols at Kemps Creek, commented on how special it was to have loved ones close by.





Sharing Community Stories

Growing the Community

One of our key focuses is to build stronger interfaith relationships and a bridge of understanding within the communities we serve.

One such event during the 2018-19 year, was the opening on 8 September, of the Muslim Lawn, Kemp's Creek Cemetery. Well attended by many people of the Muslim faith, the days' events were opened with a warm greeting by our CEO, Peter O'Meara. Community leaders, families and community members were appreciative of the thoughtfulness of our recently built prayer and ablution facility, where community members can cleanse themselves before visiting their loved ones.

Native trees were planted by Afghan community leaders, to mark the occasion and the day closed with both Muslim community leader and chairman of the Riverstone Muslim Cemetery Board, Kazi Ali and Peter O'Meara pledging to continue working together to deepen and extend their interfaith engagement, into the future.

Sharing the Loss

On March 15, terror struck at Al Noor Mosque and Linwood Mosque in Christchurch, New Zealand.

Two days later, CMCT actively supported its community members through an Interfaith Service of Remembrance at St Mary's Cathedral, Sydney to provide bereavement support for those effected by the tragic attack.

The remembrance service honoured those who had lost their lives, to pray for the injured and to call on people of all faiths, to unite in a common commitment to peace.

At the service, Archbishop of Sydney, Anthony Fisher OP called for people to dedicate themselves to compassion and service rather than ego and ideology, while Australia's Grand Mufti Dr Ibrahim Abu Mohammed thanked the attendees for supporting the Muslim community in New Zealand and Australia, at a "most difficult time" and to help foster healing from "torrents of pain".

Jewish, Hindu, Baha'i, Melkite, Coptic Orthodox, Anglican leaders and civic leaders including Prime Minister Scott Morrison, Premier of NSW Gladys Berejiklian, Governor of NSW David Hurley, NSW Opposition Leader Michael Daley, and the Consul General for New Zealand Bill Dobbie, were in attendance.

Multi-Faith Burial Collaboration

During 2018-19, CMCT pioneered an interfaith collaboration that will provide both the Jewish and Muslim communities with much-needed burial space for their communities.

Our CEO Peter O’Meara was quoted as saying “We believe that everyone is entitled to a dignified funeral and we believe that this is a very good example of an inter-faith cooperation... on building cemeteries for each other’s community.”

On present estimates, Sydney's supply of cemetery land for all faith-based communities that believe in above or in-ground burial will be exhausted within 30 years. By approximately 2024 there will be no available graves on land consecrated for Jewish burial, while in 12 month's time, the Muslim community will have nowhere to bury their dead.

In answer to the need, Kazi Khalequzzaman Ali, Chairperson of Riverstone Muslim Cemetery Board, signed an agreement with our CEO, Peter O’Meara. The memorandum provided for short-term community relief, by way of a five-acre area of burial space at the Kemps Creek Catholic Cemetery, to house 5000 Muslim burial sites.



Kazi Khalequzzaman Ali, Chairperson of Riverstone Muslim Cemetery Board, signing the agreement with CEO Peter O’Meara

As a longer-term solution for all in Western Sydney, two development applications (DAs) were submitted - for a new 300 acre cemetery at Varroville (Campbelltown) as well as another at Wallacia, near Penrith.

After considerable delays in council deliberations, the DAs were handed over to the Independent Planning Commission (IPC) in mid-2018, when CMCT asked the NSW Planning Minister Anthony Roberts, to intervene and resolve the critical situation. The Varroville development was approved in July 2019.

Interfaith Connections

Knights of the Southern Cross (KSC) is an Australia-wide federation of Catholic men that was founded in 1919, by Patrick Joseph Minahan (interred in Rookwood Catholic Cemetery), and Joseph Patrick Lynch.

During 2018-19, CMCT further deepened its relationship with KSC and other interfaith communities by providing support for masses and the KSC was included in the “Friends of Rookwood” publication, to help broaden public awareness of the good work of the society.

The graves of the founding members were also restored, and a centenary mass was celebrated in the Chapel of St Michael the Archangel. Commemorative plaques were placed on the founders’ graves and blessed by Fr Paul Hilder, KSC NSW Chaplain, in the presence of the Minahan and Lynch families, and KSC members.



Works of Mercy Support

Free use of the chapel was extended to support the not-for-profit efforts of ‘Works of Mercy’ in relieving poverty and distress for people in need.

Community Work

CMCT worked with the Coptic Orthodox Church to enable a community section. This initiative built ongoing relationships with the wider Catholic faith and community in Sydney.

International Relationships

CMCT hosted a delegation of Brazilian Cemetery Managers, as part of the International Cemeteries Association Conference. The delegation toured Rookwood Catholic Cemetery and built important relationships between our organisations - by sharing knowledge and practices within the Cemeteries sector and by giving a wider appreciation for the size and scale differences in the cemetery.

Bereavement Support

Bereavement Ministry Formation

During 2018, a pilot program establishing the Ministry of Consolation (formerly Bereavement) was initiated. It was formed to provide support for those people who wished to share their experiences of grief and loss. A number of parishes identified during the pilot program have now completed the program with new parishes now engaged to continue this important work.

The Year of Mercy Grant

This continues as a perpetual program of the Archdiocese of Sydney – with a focus on our core pillar of education and training on grief, loss and bereavement. It’s now being extended out to a Chaplain program for those Chaplains located in jails, aged care and hospitals. Work continues with the Parish Funeral Support Ministry in the parish and has commenced with Family Educators within Catholic Schools Network.

Facilitation of Bereavement

CMCT implemented a program to facilitate face-to-face contact within the community, outside of the established hubs to support and encourage discussion, reflection, prayer groups and retreats. Several groups are available:

- ◆ Bereaved Parent’s Group
- ◆ Bereaved Women’s Group
- ◆ Bereaved Men’s Group
- ◆ Compassionate Companion Monthly Meetings (held on site at each cemetery)





Strategic Priority 2: Business Sustainability

Our business focus is to continually evolve our operating business model to ensure our financial viability and to increase efficiencies. In our 2019-2021 Strategic Plan, we've prioritised several core activities: information and communication technology, delivering operational excellence, investing in projects and services that ensure our sustainable financial growth and pursuing an agenda of caring for our environment.

THE KEY OBJECTIVES

- To implement innovative solutions systems to enhance efficiencies in our business
- To optimise funding for future growth
- Enhancing our financial future
- Ensure that all new projects are delivered on time and on budget, and meet design expectations and implementation strategy for operations executed before commencement
- Continue to further explore and action environmental initiatives

PROGRESS HIGHLIGHTS

External I.T Review

An extensive review was undertaken during the period, covering I.T policies and procedures, compliance, data security and client privacy, change management, backups, assets, telecommunications, business continuity plans and disaster recovery plans, as well as advice on implementing cloud-based products. Completed in November 2018, the most significant outcome was the adoption of new cloud-based solutions to quickly add benefit to the operational efficiency and security of our systems, with 24/7 access.



St Caterina Crypts



Rookwood Pathway

Cyber Security

To further enhance our management capabilities and security, a review of confidentiality processes was undertaken. The review focused on securing information and data - particularly confidential and strategic documentation - and was implemented in July 2019.

Major Projects - Existing Cemeteries

St Caterina Garden Crypts Stages 1 & 2

Construction commenced 7 January 2019, and James Clifford Constructions has advised that completion will be achieved as per the original forecasted date, of December 2019.

Rookwood Recreational Pathway

This exciting project champions the multi-use of cemeteries, where the memorial space is also used by the local community, for recreational activities. Preliminary designs are completed, and the suggested route of the pathway is defined.

When support from the Office of Environment and Heritage (OHE) is secured, design and documentation for the DA to Cumberland Council will commence.

Major Future Projects

Wallacia Memorial Park

In July 2019, the Independent Planning Commission (IPC) published their direction to the Sydney West Planning Panel (SWPP) for the refusal of the Development Application for Wallacia Memorial Park. Therefore, in its present form, the project cannot proceed.

Despite the refusal of the development application, St John's Park Bowling Club (SJPBC) took over operations of the existing Wallacia Golf Club on 1 July and commenced trading as Wallacia Country Club. Further discussions with SJPBC are underway, with the view of entering into a long-term agreement, that ensures the club facilities will be maintained for the local community. CMCT will consider the best options for future use of the land.



Macarthur Memorial Park |

Macarthur Memorial Park - Development Application

In July 2019, the Independent Planning Commission (IPC) published their direction to the Sydney West Planning Panel (SWPP) for the approval of the Development Application for Macarthur Memorial Park. Formal notice of approval was received from Campbelltown Council on 26 July 2019.

Consensus has been reached between CMCT and the Office of Environment and Heritage (OEH) on some Site-Specific Exemptions (SSEs) for permissible construction activities at Macarthur Memorial Park, and the matter is hoped to be ratified at the next Heritage Council meeting

The project now moves to the next phase of design development and tender documentation for the procurement of head contractors to execute the scope of works. Civil works are scheduled to start in February 2020, and construction of the buildings to commence in April 2020. It's estimated that Macarthur Memorial Park will be open in late 2021.

Building Havens for All

Catholic Cemeteries and Crematoria (CCC) has partnered with Cumberland Council to establish a hive of stingless native bees (*Tetragonula Carbonaira*) at Rookwood, near the Way of the Cross. The aim of the hive is to help protect the species, improve biodiversity and support a more sustainable future. Bees play an important role in our environment by pollinating our food crops and native plants and the hive will help pollinate our plants to ensure continued growth in the cemetery grounds.

Commitment to Sustainability & Conservation

CMCT is committed to ensuring that all our activities are managed in a socially and environmentally responsible manner for the long-term benefit of the communities we serve.

Environmental sustainability is at the forefront of our operations and decision making. We monitor our performance and continually look for opportunities to reduce our carbon footprint, while building an organisational culture that operates in a manner that is both socially and environmentally sensitive.

Spotlight on Sustainability

CMCT maintains a commitment to environmentally sustainable practices across our operations and we have progressed several initiatives throughout the reporting period:

1. Seeking specialist advice to guide our design and construction for MMP to achieve a 6-star green rating from the Green Building Council of Australia.
2. Buildings designed to gain maximum solar access for heating in winter months and cooling in summer.
3. Engagement of local and regional stakeholders for design planning.
4. Establishment of a community engagement program.
5. Establishment of a community garden for local groups.
6. A mechanical engineering design that incorporates a “geothermal loop” that utilises the stored energy of the earth for air conditioning, heating and cooling.
7. Artesian water bores to access water in the aquifer.
8. Water for flushing toilets will be harvested from rainwater tanks.
9. Green waste from the removal of weeds and plants will be mixed with local soils for use in gardens and landscaping.
10. Grey water waste treated and filtered for re-use in landscaped areas.
11. Controlled irrigation that reduces water consumption for landscaping.
12. Restoration of historic buildings will incorporate an area for “artists in residence”.
13. Engagement of historical groups to run educational tours for local schools.
14. Head contract agreement will include specific contract conditions to enforce sustainable environmental practices by the building and civil contractors.
15. Remediation and rehabilitation of existing dams and waterways to ensure the water is pristine and encourages local flora and fauna.
16. Establishment of riparian zones to treat stormwater harvested from roadways, to remove sediment and nutrients from the waterways.
17. Construction of a solar farm - located on plant and maintenance buildings - to harness solar energy.
18. Establishment of a public transport system to allow greater access from established transport hubs.



Homeless Interment, Rookwood Catholic Cemetery



Strategic Priority 3: Staff & Culture

By investing in our people, we are strengthening our culture of service excellence. During the year, that investment has delivered not only high levels of engagement, but also increased performance and has empowered staff to build a workplace culture that promotes safety and delivers on our mission, vision and values.

CMCTs strong commitment to developing our people and fostering a culture of continuous improvement, has resulted in successful delivery of the strategic objectives for the year in review.

THE KEY OBJECTIVES

- To support staff in the delivery of our mission by improving staff engagement in terms of communication, flexibility and empowerment
- Develop a new performance management framework that aligns with our strategies
- Implement a Workforce Capacity Framework to strategically align staff skills and competencies with the needs and demands of the business and our evolving customer expectations
- Improve our Health and Safety culture

PROGRESS HIGHLIGHTS

EveryOne Counts Program

In July 2019, RAVE (Recognise A Valuable Employee) was launched. RAVE is a portal for increasing and measuring employee engagement and is part of the EveryOne Counts (EOC) employee program.

The purpose of the EOC employee recognition program is to recognise and reward work and behaviours that support's CMCTs goals and values. Our Staff Snapshots (page 29) highlight our people's year.



Kemps Creek Cemetery |

Existing EOC Features	Additional RAVE Components
<ul style="list-style-type: none"> ■ Year-round award nominations – based on CMCT values ■ All award nominations considered for yearly awards ■ Mega Breakfast - March ■ Mega Breakfast – October ■ Christmas Gift ■ Christmas Party: <ul style="list-style-type: none"> - Lucky door prizes - Yearly awards (Prize Pick, One to Watch, Budding Star, Sunshine) - Length of service – recognising 5, 10, 15 milestones of valuable service to CMCT 	<ul style="list-style-type: none"> ■ Employee-to employee recognition ■ Employee discounts and smart spending opportunities ■ Inhouse news ■ Moment of Recognition communications ■ Online nominations for EOC yearly awards ■ Pulse surveys



EveryOne Counts Awards

EOC Awards are an important part of the Annual Christmas Party. They are awarded to staff that have demonstrated extraordinary behaviours or have successfully improved the way they do their job. Congratulations go to:

- ▮ Prize Pick – Ellie Bellantoni
- ▮ One to Watch – Mick Spicer
- ▮ Sunshine Award – David Lagettie
- ▮ Budding Star – Pritisha Devi and Waisiki Danford

Length of Service Awards

Congratulations to the following staff for reaching an important service milestone:

5 Year Service Milestone:

- ▮ Christine Williams
- ▮ Craig Reitano
- ▮ David Renneberg
- ▮ Felipe Miranda
- ▮ Janine Edmunds
- ▮ Lisa Gangemi
- ▮ Michael Brouwer
- ▮ Dallas Watkins
- ▮ Jason Kelly

10 Year Service Milestone:

- ▮ Mathew Teasdale
- ▮ Stella Moulds

Empowering Our People

In accordance with our objectives, an all-in-one people management system was researched, sourced and secured during the 2018-19 period. The intelli-HR system automates HR processes, provides tools and delivers an adaptive continuous feedback model to help us better understand our people, manage their performance and support them to deliver their best. Our Staff Snapshots (page 29) highlight our people's year.

Nurturing a Health and Safety Culture

CMCT prioritises the health and safety of both our employees and contractors, and during the reporting period we strengthened our safety practices, behaviours and culture across our organisation:

- ▮ Strengthening and enhancements to our WHS Systems has resulted in a significant reduction in Workers compensation premiums.
- ▮ Created a safer workplace through the implementation of a cloud based WHS Case Management System. Its aim is to assist us in meeting our Work Health and Safety obligations, while also minimising any potential workplace and environmental hazards and their impacts through the prevention, prediction and reduction of staff injury and claims.
- ▮ St Vincent's Hospital now provides clinical supervision for our Grief Support team, to ensure their ongoing wellbeing as they support our families through any difficulties they encounter throughout their bereavement.

Our People, Culture and Values

CMCTs organisational structure continues to evolve to meet our business needs, support our staff and maximise productivity and efficiencies across the business.

The structure was reorganised during the last 12 months, to better suit our future growth and changes in focus. A key challenge ahead is for us to manage the dichotomy of maximising an organisation focused on extending the life of our existing cemeteries, while simultaneously creating a greenfield cemetery for the future.

CATHOLIC METROPOLITAN CEMETERIES TRUST (CMCT)

CHIEF EXECUTIVE OFFICER

EXECUTIVE ASSISTANT

Head of New
Business Ventures

Multicultural Community Leaders
Pre-Need Consultants

Head of Infrastructure
Major Projects + Assets

Infrastructure Coordinator
Mechanic
Infrastructure & Masonry Officer

Head of Client Services
+ Operations

Western Region
Cemetery Services
Client Services

Eastern Region
Cemetery Services
Chapel Services
Client Services

Bereavement Services
Community Engagement
Grounds Coordination
Landscape

Head of Strategy
Communications
+ Marketing

Project Management
Marketing
Business Support
IT Support
GIS & Asset Data

Head of Finance
Corporate Governance
+ Audit

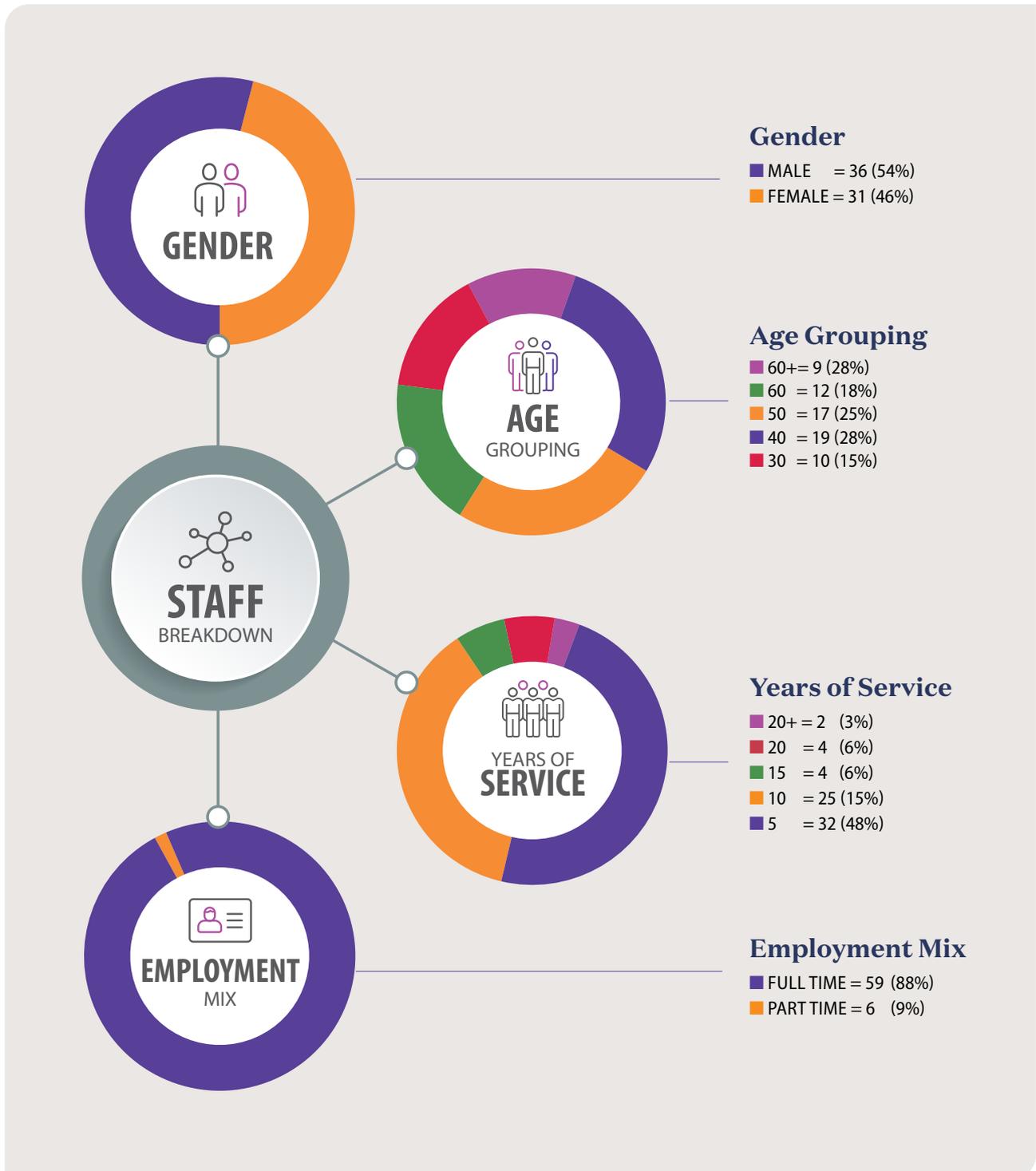
Accounts
Finance

Head of People
Capability + Change

Human Resources
WHS

Staff Breakdown

Every day our experienced staff deliver high quality service in customer care, burial operations, administration and grounds maintenance. They play an important role in helping community members celebrate the lives of their family members or friends, and do so with the utmost compassion, integrity and respect.



Our Staff Snapshots



Comedian, Akmal, livened up the awards, and hammed it up with staff at the Annual Christmas Party



Mark Bunn spoke of kicking goals and sharing the secrets of wellbeing, stress and work-life success during October Safety Month



'Last Man Standing', Steven Bradbury, talked to our people about overcoming adversity and achieving your goals - February Big Breakfast





Charles O'Neil Walk, Rookwood Catholic Cemetery



Strategic Priority 4: Service Excellence

Our dedication to delivering high quality, professional and ethical cemetery services, facilities and products have been further enhanced over the last 12 months by an increased focus on service excellence.

We are deeply committed to ensuring that every person, regardless of their religion, culture or personal preference, can honour and celebrate their family members, as they choose. Our ongoing focus on service excellence and community engagement ensures that we remain relevant and in turn, support our long-term sustainability.

THE KEY OBJECTIVES

- To provide affordable products and services that respond to the evolving needs of our communities
- To implement a Facilities and Maintenance Strategy to ensure facilities are fit for purpose across CMCT sites and maintained at a high standard

PROGRESS HIGHLIGHTS

Managing Assets for the Future

At CMCT, the facilities management function is unique in that it encompasses both infrastructure management and the perpetual maintenance of cemeteries. Therefore, in support of our focus on securing the future of CMCT, our business management teams were restructured during the 2018-19 period, with the management of existing and new assets now handled by the Capital Works and Infrastructure team.

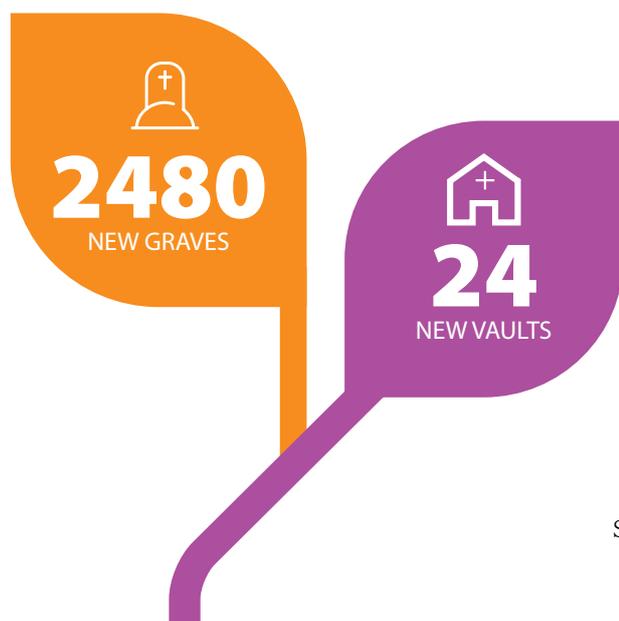
In addition, the purchase and implementation of a facilities management software platform, ArchiBus, represents a significant step forward in the management and maintenance of CMCTs increasing asset base. The platform allows for the recording of on demand work requests, preventive maintenance schedules and resource allocation. It can also facilitate audits for assets and a graphical interface with GIS systems, which will provide greater transparency for works carried out by contractors and staff to ensure that maintenance standards are met, and schedules completed in agreed timeframes.

Geographical Information System (GIS) - IntraMaps

The Geographical Information Systems (GIS) was implemented, during the 2018-19 year. Key milestones were:

- Scripting and data transfer of over 1 million records - containing Plot and Spatial geometry plus all the relevant grave location information
- Map Designs implemented for Rookwood, Liverpool and Kemps Creek cemeteries and the various layers (Burial, Utility, Horticultural layer)
- The final project delivers both a public and internal GIS that allows different levels of secure access to information

Repurposing of Land to Create



Increased Customer Centricity

The 2018-19 year saw some significant realignments within the Client Services team, aimed at streamlining operations to ensure a more holistic approach to customer service in the future. Feedback has been positive from staff, suppliers and customers, with the implementation of:

- Client services culture training
- Better management of client interactions to help families cope with decision making and change
- Increased cultural sensitives and practices, to allow for specific cultural and religious practices
- Cross-role training to create depth of skills and service centricity
- New graveside equipment to lower WHS risks for staff and funeral directors
- Improved graveside presentation for families
- Improved staff engagement and maintenance service for graves

Monument Safety Program

In 2018-19 CMCT commenced its 5-year Headstone Safety Program in the historic Mortuary 1 Area of Rookwood Cemetery. The program is designed to improve safety and care for the monuments in this State Heritage area by reducing and managing potential risks to the public, staff and the monuments.

Caretaking For the Future

In 2018-19 CMCT undertook significant development works across many sites, including the construction of new grave infrastructure to meet the community's needs at Rookwood, Liverpool and Kemps Creek.



Kemps Creek Cemetery

- Extension of St Adday Chaldean Community Lawn
- Extension of Muslim Community Lawn
- Additional area developed for the Mandaean Community
- Extension of Cardinal Kuharic Croatian Community Lawn

Rookwood Catholic Cemetery

- Extensive development continues at Rookwood Cemetery with the release of 2100 new graves in the 2018-19 period:
- Mortuary 2 extensions in Section 11 and Section 17.
 - Extension St Patrick's Monumental Lawn
 - Extension of Croatian Community Monumental Lawns
 - Extension of Vietnamese Community Lawn
 - Extension of Charles O'Neill Memorial Garden
 - Creation of St Maroun Maronite Monumental Lawn
 - Creation of St Leopold Croatian Monumental Lawn
 - Creation of two new lawn areas – St Benedict and St Scholastica
 - Creation of new family vault area

Liverpool Cemetery

- Release of 80 new lawn graves

Infrastructure and Facility Work

Improvements and refurbishments were made to several of our facilities in the 2018-19 period, to ensure our facilities continue to exceed our customers' expectations.





New Corporate Head Office

CMCT recently completed the fit out and relocation of our new corporate office, at Sydney Olympic Park. Featuring a modern design over 414sq metres, the new office draws together management and staff that were previously located at disparate sites and provides a more collaborative workspace, with offices and project meeting rooms for everyone to utilise.



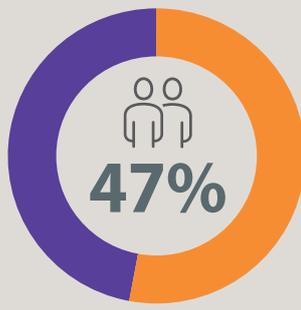
*New CMCT Head Office,
Sydney Olympic Park*

Customer Satisfaction Results

Eastern Region



85% OF FUNERAL DIRECTORS were extremely satisfied with the service they received



47% OF FAMILIES had their expectations exceeded

Western Region

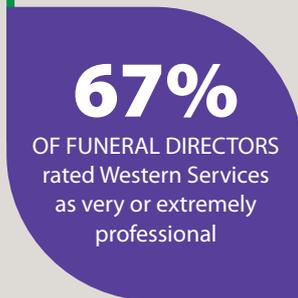
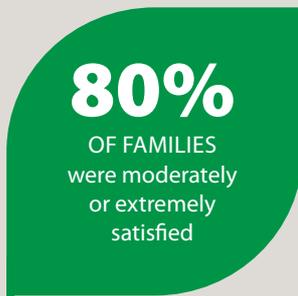


95% OF FUNERAL DIRECTORS & FAMILY MEMBERS were very - extremely satisfied with the service they received.



95% OF FUNERAL DIRECTORS & FAMILY MEMBERS had their expectations met or exceeded

Pre-Need Purchases



“The price was less than we expected, especially when there were the choices of the headstones, and it isn't too far from where we and our children are located.”

Preneed Family, Kemps Creek Cemetery

Net Promoter Scores:





Strategic Priority 5: Enhanced Governance & Accountability

CMCT recognises that strong governance and accountability are critical to the successful achievement of our strategic imperatives and aspirations for sustainable growth. To fulfill these responsibilities, the organisation maintains a robust corporate governance framework.

THE KEY OBJECTIVES

- Undertake a Board governance review
- Reduce our organisation's risk profile
- Ensure compliance with the legislation

PROGRESS HIGHLIGHTS

Our Board & Senior Executive

Each year, CMCT is guided by the diverse experiences, skills and individual expertise of our CMCT Board members. Working together, the Board focuses on delivering excellence in service and care for our families, support for our staff and to ensure we're positively contributing to our communities.

Our Board

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

Our Executive Team

Peter O'Meara
CEO

Lauren Hardgrove
Head of Client Services + Operations

David Renneberg
Head of Finance, Corporate Governance + Audit

David De Angelis
Head of Infrastructure, Majors Projects and Assets

Armen Mikaelian
Head of New Business Ventures

Mel White
Head of Strategy, Communications + Marketing

Damian Furlong
Head of People, Capability + Change

Our Stakeholders



Compliance with Regulatory Changes

Over the past 12 months, CMCT has implemented new policies and procedures throughout the organisation to ensure its compliance with the newly implemented legislation, in Part 4 (25 June 2018) of the Cemeteries and Crematoria Act 2013 (NSW).

CMCT has also taken an active role in educating its relevant partners and suppliers on the new interment rights system for NSW, which introduces significant changes to the requirements for the granting of interment rights by cemetery operators.

Audit & Risk Profile

Compliance, Probity and Forecasting for the Future

Our Flexible Payments Systems are having a greater impact on our revenues, with 10% of business written impacting as revenue reported. For example, this year \$200,000 were fully realised as payments, but it is forecast that over the next few years this will increase to millions of dollars.

Data Analytical Program

The implementation of this new platform has produced major time savings and replaced the multitude of siloed excel spreadsheets throughout the company. By combining all our CRM information – from both financial and non-financial sources – it provides accurate forecasts at cemeteries and triggers major work project planning milestones for key stakeholders.



Way of the Cross

Risk Management (RM) Program

This program was progressively rolled out during the period and has raised the bar in probity across all areas of the organisation. The outstanding components of RM framework will be completed over a six-month period, while the compliance review will be undertaken during the 2020 calendar year. Due to the delays, at the time of writing our risk profile is yet to be reduced, due to several outstanding actions yet to be implemented.

Board Governance Review

The governance review was completed by AICD in the context of our proposed business model restructure, commencing 1 July 2020. New companies will be established with constitutions, charters and compliance/reporting requirements. A skills matrix has been developed along with a nominations committee, for the future appointment of Board members.



Macarthur Memorial Park |



Securing our Financial Future

CMCTs financial objectives are focused on ensuring our revenue and operating results generate enough surplus to provide funds to meet our perpetual maintenance obligations, support major growth opportunities in the future and provide for our pre-need commitments.

Initiatives

1. Continue to implement a formal Risk Management framework and policy.
2. Establish a strategic procurement framework.
3. Implement a business intelligence tool to provide new budget and reporting capability into the financial and non-financial data, while eliminating excel spreadsheets.
4. Secure a low interest loan to fund construction of Macarthur Memorial Park and redeploy the term deposits in a higher returning investment portfolio.



Financial Report

Catholic Metropolitan Cemeteries Trust

ABN: 85 744 325 709

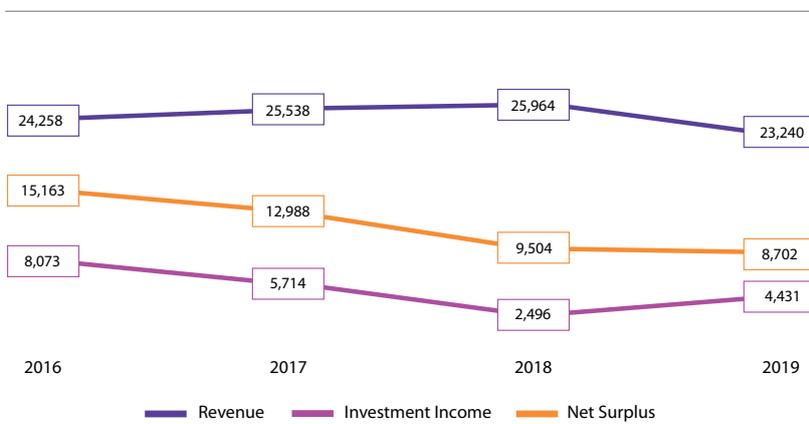
General purpose financial statements for the year ended 30 June 2019.

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- 44** Statement of Cash Flows
- 45** Notes to the Financial Statements
- 67** Board Member's Declaration
- 68** Independent Auditor's Opinion

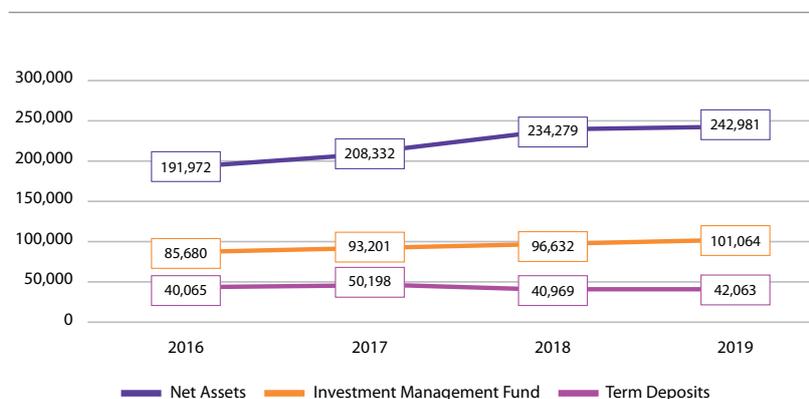
Financial Performance

- Revenue has decreased mainly due to the decline in premium Crypt locations and available burial sites at Rookwood and Liverpool, as well as vacancies in the Business Development team.
- As per change to accounting standards, there is an increase in investment income with the inclusion of unrealised movements (\$2.5m) of our investment portfolio to the P&L.
- As expenditure is relatively stable, the fall in Net surplus is explained by declining revenue.



Financial Position

- Low interest rates affecting term deposit returns.
- Investment Managed Funds grew at 18% in a high volatility, low interest environment
- Net Assets increased by 27% this year which is due to increase in Investments (\$6m), Inventories (\$3m) and Construction in Progress costs \$2.1m respectively.





Statement of Profit or Loss and Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	4(a)	23,240,047	25,963,760
Cost of sales	5	(8,446,642)	(8,854,654)
Gross profit		14,793,405	17,109,107
Expenses			
Employee & Associated costs	6	6,100,706	6,145,344
Administrative expenses	7	574,432	402,688
Operating expenses	8	3,390,423	2,805,986
Depreciation	13	1,291,770	1,299,114
(Profit) & Loss on Disposal		12,031	2,549
Marketing		815,841	1,113,087
Total Expenses		12,185,203	11,768,767
Results from operating activities		2,608,202	5,340,340
Interest Income	4(b)	1,490,098	1,406,370
Investment Income and movement	4(c)	4,431,379	2,496,349
Other Income		171,843	261,208
Result for the period		8,701,522	9,504,267
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
<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		8,701,522	26,157,322

The notes on pages 45 to 66 are an integral part of these financial statements.



Statement of Financial Position

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	9	4,384,892	5,883,925
Trade and other receivables	10	1,315,117	1,564,219
Inventories	11	19,627,498	16,611,826
Investments	12(a)	143,126,383	137,600,825
Loans Receivable	12(b)	600,000	600,000
Total current assets		169,053,891	162,260,794
Non-Current Assets			
Loans Receivable	12(b)	600,000	1,200,000
Property, plant and equipment	13	86,186,814	80,565,586
Total Non-Current Assets		86,786,814	81,765,586
Total assets		255,840,705	244,026,380
Current Liabilities			
Trade and other payables	14(a)	3,223,780	2,950,910
Lease Liability	14(b)	107,734	-
Deferred income	15	5,822,306	4,205,267
Employee benefits	16	749,408	783,545
Total Current Liabilities		9,903,228	7,939,722
Non-Current Liabilities			
Lease Liability	14(b)	1,612,727	-
Provisions	14(c)	124,200	-
Deferred income	15	917,206	1,554,982
Employee benefits	16	302,663	252,519
Total Non-Current Liabilities		2,956,796	1,807,500
Total Liabilities		12,860,024	9,747,222
Net assets		242,980,681	234,279,158
Equity			
Accumulated Surplus	24	227,269,340	218,770,857
Asset Revaluation Reserve	24	15,711,341	15,711,341
Available-for-sales investment reserve	24	-	(203,039)
Total Equity		242,980,681	234,279,158

The notes on pages 45 to 66 are an integral part of these financial statements.



Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Accumulated surplus \$	Asset Revaluation Reserve \$	Available-for-sale investment reserve \$	Total \$
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	3(f) & 24(b)		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
Result for the period		8,701,522	-	-	8,701,522
Adjustment on adoption of AASB 9	3(m) 4(c)	(203,039)	-	203,039	-
Balance at 30 June 2019		227,269,340	15,711,341	-	242,980,681

The notes on pages 45 to 66 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Cash receipts from customers		27,064,345	31,604,720
Cash paid to suppliers and employees		(24,457,999)	(22,229,246)
Interest received		395,919	363,040
Interest and other finance costs paid		(20,929)	-
Net cash from operating activities	9	2,981,336	9,738,514
Cash flows from investing activities			
Proceeds from property, Plant & equipment		41,818	34,545
Acquisition of property, plant and equipment		(5,096,506)	(18,176,821)
Proceeds from the realisation other investments		-	13,272,808
Acquisition of other investments		-	(3,000,000)
Loan to RNT		-	(375,000)
Loan repayments from RNT		600,000	-
Net cash used in investing activities		(4,454,688)	(8,244,467)
Cash flows from Financing activities			
Repayment of lease liability		(25,680)	-
Net cash used in Financing activities		(25,680)	-
Net increase/(decrease) in cash and cash equivalents		(1,499,032)	1,494,046
Cash and cash equivalents at the beginning of the year		5,883,925	4,389,878
Cash and cash equivalents at 30 June	9	4,384,892	5,883,925

The notes on pages 45 to 66 are an integral part of these financial statements.



Notes to the financial statements

For the year ended 30 June 2019

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 Level 2, 11 Murray Rose Ave, Sydney Olympic Park NSW 2127.

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 28 August 2019.

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.

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.



Notes to the financial statements (continued)

For the year ended 30 June 2019

2. Basis of preparation (cont)

(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

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers. The standard will apply to all contracts with customers, except for contracts covered by other applicable Standards, such as financial instruments (AASB 9) and leases (AASB 16).

Revenue is recognised at an amount that reflects the consideration to which CMCT is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, CMCT: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

(i) Licences granted / Goods sold

Fees received for the rights of interment for graves, crypts and cremations are recognised as revenue when the performance obligation has been met. Therefore at the time of purchase, full payment for the rights will be recognised on the Statement of Profit or Loss and Comprehensive Income while part payments will be recognised as Deferred Income (refer to 3(i)) on the Statement of Financial Position until full payment has been received.

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.



Notes to the financial statements (continued)

For the year ended 30 June 2019

3. Significant accounting policies (continued)

(ii) Services

Revenue from services, including interments, cremations and chapel services, is recognised in the Statement of Profit or Loss and 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 Profit or Loss and Comprehensive Income, using the effective interest method. Dividend income is recognised in the Statement of Profit or Loss and 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 Statement of Financial Position 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

A financial asset shall be measured at amortised cost whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit & loss.

(i) Debt securities at amortised costs

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

(ii) Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(iii) 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.

(iv) 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.

(v) 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.



Notes to the financial statements (continued)

For the year ended 30 June 2019

3. Significant accounting policies (continued)

(vi) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit and loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

When an investment is derecognised, the cumulative gain or loss in equity is reclassified to the Statement of Profit or Loss and Comprehensive Income. Investments 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.
- (iii) Purchase Price Variance (PPV) represent variations between standard and actual costs that are periodically cleared to COGS in the Statement of Profit or Loss and Comprehensive Income when the project is completed.

(f) Property, plant and equipment

All property, plant and equipment are 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	5years
Computers & Ancillaries	3 years
Leasehold	As per lease term

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.

All leases to be accounted for 'on-balance sheet' (i.e. Leasehold assets) other than short-term (i.e. less than 12-month term and low value asset leases (i.e. less than \$10,000), which will be expensed to the Statement of Profit or Loss and Comprehensive Income as incurred.



Notes to the financial statements (continued)

For the year ended 30 June 2019

3. Significant accounting policies (continued)

(f) Property, plant and equipment (cont)

Leasehold assets are measured at cost and includes:

- Initial measurement of the lease liability,
- Lease payments made at or before commencement date, less any lease incentives received, Initial direct costs by CMCT, and
- Estimate of dismantling, removal, restoration costs.

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.

Increases in the carrying amounts arising on revaluation of land are recognised in other comprehensive income and accumulated in an asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in the Statement of Profit or Loss and Comprehensive Income, the increase is first recognised in Statement of Profit or Loss and Comprehensive Income.

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 the Statement of Profit or Loss and Comprehensive Income.

While Rookwood, Liverpool and Kemps Creek were assessed at fair value, Varroville and Wallacia is recorded at cost as at 30 June 2019 as they are subject to Development Application approvals.

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 Badgery'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.

All properties will be revalued as at 30 June 2020.

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.



Notes to the financial statements (continued)

For the year ended 30 June 2019

3. Significant accounting policies (continued)

(h) Lease Liability

Lease liabilities are to be measured initially at the present value of unpaid lease payments. These payments may include:

- Fixed payments less incentives,
- Variable payments (e.g. CPI)
- Expected residual value guarantee, and
- Penalty for terminating (if reasonably certain).

The lease payments are to be discounted using the interest rate implicit in the lease. If not available, then the lessee's incremental borrowing rate.

(i) Deferred Income

Deferred income represents:

- 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.
- 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.

(j) 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.

(k) 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 Profit or Loss and 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.

(l) Segment Reporting

CMCT operates in New South Wales, predominately in one industry, being the cemetery industry wholly within Australia.

(m) Change to Accounting Policies and disclosures

(a) AASB 15 'Revenue from Contracts with Customers'

CMCT has early adopted AASB 15 from 1 July 2018, which replaces both AASB 118 *Revenue* and AASB 111 *Construction Contracts*. AASB 115 will apply to all contracts with customers, except for contracts covered by other Standards, such as leases, insurance and financial instruments.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue from customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Contracts with customers are presented in an entity's statement of financial position as a liability (Deferred Income) or an asset (Accounts Receivables), depending on the relationship between CMCT's performance and the customer's payment.



Notes to the financial statements (continued)

For the year ended 30 June 2019

3. Significant accounting policies (continued)

Impact of adoption

It has been determined that the treatment has been consistently applied in the prior year and there is no impact on comparatives or the opening accumulative surplus as at 1 July 2018.

(b) AASB 9 'Financial Instruments'

CMCT has adopted AASB 9 from 1 July 2018, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*.

Consistent with AASB 139, all financial assets are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs. However, AASB 9 has introduced changes to classification and measurement. Subsequent to initial recognition, financial assets are measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI);
- or fair value through profit or loss (FVPL)

These classifications are based on an entity's business model and contractual cash flow tests. For CMCT, the 'Other business model' applies to our investment portfolio of managed funds as its performance is evaluated on a fair value basis. Therefore the unrealised movement is recognised as FVPL rather than previously through the available-for-sale investment reserve.

Impact of adoption

AASB 9 were adopted using the modified retrospective approach and as such comparatives have not been restated. However, the available-for-sale investment reserve was derecognised and transferred to accumulated surplus.

The impact of the new Accounting Standards compared with previous Accounting Standards on the current reporting period is as follows:

	New \$	Previous \$	Difference \$
Investment Income (Profit & Loss)	2,505,711	-	2,505,711
Available-for-Sale financial assets (OCI)	-	2,505,711	(2,505,711)



Notes to the financial statements (continued)

For the year ended 30 June 2019

3. Significant accounting policies (continued)

(c) AASB 16 'Leases'

CMCT has early adopted AASB 16 from 1 July 2018, which replaces AASB 117 Leases. The new standard requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term (i.e. less than 12 month term) and low value asset leases (i.e. less than \$10,000), which will be expensed to the Statement of Profit or Loss and Comprehensive Income as incurred.

A 'right-of-use' asset will be capitalised in the Statement of Financial Position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (including operating costs) and an interest expense on the recognised lease liability (included in finance costs).

For classification within the statement of cash flows, the lease payments will be separated into both principal (financing activities) and interest (operating activities) components.

Impact of adoption

This standard applies to the leasehold arrangement for the new Head Office at Sydney Olympic Park, which commenced in April 2019.

CMCT is applying the short-term practical expedient available on transition to AASB 16 for leases with remaining terms less than a year. The total amount of lease payment expensed regarding the Head Office lease at Yagoona is \$79,944 for 2018/19 financial year. Equipment leases that commenced in prior years have been assessed as low value asset leases.

As a result, there is no impact on comparatives or opening accumulated surplus as at 1 July 2018.

(n) 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 2016-8 Amendments to AAS Australian Implementation Guidance for Not-For-Profit Entities	1 January 2019	30 June 2020



Notes to the financial statements (continued)

For the year ended 30 June 2019

4. Revenue and other income

	2019 \$	2018 \$
(a) Revenue		
Licences	15,611,045	18,613,483
Interments	5,095,176	4,651,653
Others	2,533,826	2,698,624
	23,240,047	25,963,760

Disaggregation of revenue

Timing of revenue recognition

Licences transferred at a point in time	15,611,045	-
Services transferred at a point in time	7,629,002	-
	23,240,047	-

(b) Interest income

Interest income	1,173,106	1,072,176
Imputation Credits	316,992	334,195
	1,490,098	1,406,370

(c) Investment Income from Managed Funds

Realised	1,925,668	2,496,349
Unrealised	2,505,711	-
	4,431,379	2,496,349

5. Cost of sales and other expenses

	2019 \$	2018 \$
Cost of Sales		
Licences	(3,887,983)	(4,407,064)
Interments	(2,027,820)	(1,877,755)
Others	(2,530,839)	(2,569,834)
	(8,446,642)	(8,854,654)



Notes to the financial statements (continued)

For the year ended 30 June 2019

6. Employee & Associated Costs

	2019 \$	2018 \$
Salary and wages	5,613,976	5,445,919
Superannuation entitlements	511,567	502,357
Employee leave entitlements	171,865	209,164
Fringe benefit tax	76,598	92,555
Associated Costs	345,343	329,128
Cost Recovery to COGS	(1,616,858)	(1,360,042)
Others Employee Costs	998,215	926,262
	6,100,706	6,145,344

7. Administrative Expenses

	2019 \$	2018 \$
Administrative Expenses	1,389,426	1,204,721
Cost Recovery to COGS	(814,995)	(802,033)
	574,432	402,688

8. Operating Expenses

	2019 \$	2018 \$
Operating Expenses	4,491,682	3,687,298
Cost Recovery to COGS	(1,101,259)	(881,312)
	3,390,423	2,805,986



Notes to the financial statements (continued)

For the year ended 30 June 2019

9. Cash and Cash Equivalents

	2019 \$	2018 \$
Cash on hand/Petty Cash	2,700	2,700
Bank balances	2,792,835	4,863,199
Call deposits	1,589,357	1,018,026
	4,384,892	5,883,925

	2019 \$	2018 \$
Reconciling Surplus for the year for Net Cash Flows from Operating Activities		
Result for the period	8,701,522	9,504,267
Adjustments for:		
Depreciation	1,291,770	1,299,114
(Gain) & Loss on Disposal	12,031	2,549
Investment distributions reinvested	(5,525,558)	(3,533,224)
(Increase)/ Decrease in Trade debtors	254,433	(315,654)
(Increase)/ Decrease in Other Debtors	(5,331)	(53,162)
(Increase)/ Decrease in Inventories	(3,015,672)	(1,300,125)
Increase/ (Decrease) in Trade Creditors	(1,097,874)	158,416.88
Increase I (Decrease) in Sundry Creditors	1,370,744	10,809
Increase/ (Decrease) in Deferred Income	979,263	2,399,937
Increase I (Decrease) in Provisions	16,007	139,842
Net cash from operating activities	2,981,336	9,738,514

10. Trade and Other Receivables

	2019 \$	2018 \$
Trade receivables	1,221,795	1,476,228
Other Debtors & Receivables	93,322	87,991
	1,315,117	1,564,219

	2019 %	2018 %		
Ageing analysis of trade receivables:				
Current trade receivables	88%	93%	1,074,649	1,368,137
Receivables aged 0-14 days	4%	2%	49,874	25,974
Receivables aged 15-30 days	6%	4%	73,581	59,240
Receivables aged 31-45 days	0%	1%	1,667	11,535
Receivables aged 45+ days	2%	1%	22,024	11,342
Total trade receivables	100%	100%	1,221,795	1,476,228



Notes to the financial statements (continued)

For the year ended 30 June 2019

11. Inventories

	2019 \$	2018 \$
Grave licences	2,714,319	2,519,744
Crypt licences	8,250,319	9,904,973
Vault licences	207,000	200,000
Cremated remains	2,762,475	2,959,686
Inventory Grave Extensions	106,398	52,454
Work-In-Progress	5,586,987	974,969
	19,627,498	16,611,826

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

12(a). Investments

		2019 \$	2018 \$
Other Financial Assets			
Bills and Term Deposits	(a)	42,062,740	40,968,561
Managed Funds	(b)	101,063,643	96,632,264
Total Investments		143,126,383	137,600,825

(a) Term deposits are held at cost and are classified as Debt Securities at amortised cost (previously 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 2.73% to 2.80% and generated \$1,094,179 in interest income.

(b) 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 classified as financial assets at fair value through profit or loss and are managed by Russell Investments.



Notes to the financial statements (continued)

For the year ended 30 June 2019

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 Land Manager) 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 commenced August and continued December 2018 paying \$500k and \$100k respectively. The balance as at 30 June 2019 is \$1.2m. The next payment of \$600k is expected in August 2019.

	2019 \$	2018 \$
Loans- Current		
Loan to Rookwood Necropolis Trust (RNT)	600,000	600,000
Total Current Loans	600,000	600,000
Non Current		
Loan to Rookwood Necropolis Trust (RNT)	600,000	1,200,000
Total Non-Current Loans	600,000	1,200,000
Total Loans	1,200,000	1,800,000



Notes to the financial statements (continued)

For the year ended 30 June 2019

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	Leasehold	Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2018	56,214,353	18,771,130	2,069,411	857,480	2,758,487	4,637,776	-	6,018,810	91,327,447
Transfer of assets	-	78,065	-	-	960,934	1,781,780	-	(2,820,779)	-
Additions	-	-	10,724	243,906	220,028	4,300	1,637,296	4,976,586	7,092,840
Disposals	-	(16,210)	(636)	(191,609)	(86,501)	(23,364)	-	(5,958)	(324,278)
Balance at 30 Jun 2019	56,214,353	18,832,985	2,079,498	909,777	3,852,949	6,400,492	1,637,296	8,168,659	98,096,009
Depreciation and impairment losses									
Balance at 30 Jun 2018	-	(6,359,200)	(1,508,416)	(266,914)	(1,867,261)	(760,070)	-	-	(10,761,861)
Disposal of assets	-	2,837	636	69,331	71,484	147	-	-	144,436
Depreciation for the year	-	(473,561)	(218,564)	(122,000)	(287,982)	(148,843)	(40,820)	-	(1,291,770)
Balance at 30 Jun 2019	-	(6,829,923)	(1,726,344)	(319,583)	(2,083,759)	(908,766)	(40,820)	-	(11,909,195)
Carrying amount									
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
at 30 Jun 2019	56,214,353	12,003,061	353,154	590,195	1,769,190	5,491,726	1,596,476	8,168,659	86,186,814



Notes to the financial statements (continued)

For the year ended 30 June 2019

14. Trade and other payables

(a) Trade and Non Trade Payables

	2019 \$	2018 \$
Trade payables	1,090,165	2,188,039
Non-trade payables and accrued expenses	2,133,615	762,871
	3,223,780	2,950,910

	2019 %	2018 %		
Ageing analysis of trade payables:				
Current trade payables	55%	52%	595,395	1,135,794
Payables aged 1-14 days	35%	43%	385,400	930,347
Payables aged 15-30 days	3%	3%	27,361	65,769
Payables aged 31-45 days	8%	3%	82,009	56,128
Total trade payables	100	100	1,090,165	2,188,039

(b) Lease Liability

	2019 \$	2018 \$
Current		
Lease Liability	107,734	-
	107,734	-
Non-Current		
Lease Liability	1,612,727	-
	1,612,727	-
Total Lease Liability	1,720,460	-

(c) Provisions

	2019 \$	2018 \$
Non-Current		
Makegood Provision for Head Office at Sydney Olympic Park	124,200	-
	124,200	-

15. Deferred Income

	2019 \$	2018 \$
Current		
Prepurchase Plan – Community Group Deals	1,771,595	360,937
Prepaid redeemable transactions	4,050,711	3,844,330
Total current deferred income	5,822,306	4,205,267
Non-Current		
Prepurchase Plan – Community Group Deals	917,206	1,554,982
Total non-current deferred income	917,206	1,554,982
Total deferred income	6,739,512	5,760,248



Notes to the financial statements (continued)

For the year ended 30 June 2019

16. Employee benefits

	2019 \$	2018 \$
Current		
Liability for annual leave	573,492	561,906
Liability for long-service leave	175,916	221,639
	749,408	783,545
Non-Current		
Liability for long-service leave	302,663	252,519
	302,663	252,519
Total employee benefit liabilities	1,052,071	1,036,064

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 (a). Since the last review, investments have decreased by approximately \$449k to \$143.1m. 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 therefore, disclosed 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.





Notes to the financial statements (continued)

For the year ended 30 June 2019

18. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

30 June 2019	Note	Carrying value				Fair value	
		Debt Securities at Amortised Cost \$	Loans and Receivables \$	Investments at Fair Value through P or L \$	Other financial liabilities \$	Total \$	Level
Financial Assets measure at fair value							
Managed Funds	12(a)	-	-	101,063,643	-	101,063,643	Level 1
Term deposits with a maturity greater than 3 months	12(a)	42,062,740	-	-	-	42,062,740	
		42,062,740	-	101,063,643	-	143,126,383	
Financial assets not measured at fair value							
Trade and other receivables	10	-	1,315,117	-	-	1,315,117	
Cash and cash equivalents	9	-	4,384,892	-	-	4,384,892	
Loans	12(b)	-	1,200,000	-	-	1,200,000	
		-	6,900,009	-	-	6,900,009	
Financial liabilities not measured at fair value							
Trade payables	14	-	-	-	3,223,780	3,223,780	
		-	-	-	3,223,780	3,223,780	
30 June 2018							
Financial liabilities measured 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	-	137,600,824	
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	
		-	9,248,144	-	-	9,248,144	
Financial liabilities not measured at fair value							
Trade payables	14	-	-	-	2,950,910	2,950,910	
		-	-	-	2,950,910	2,950,910	



Notes to the financial statements (continued)

For the year ended 30 June 2019

18. Financial instruments – Fair values and risk management

(b) Financial risk management

CMCT has early adopted MSB 15 from 1 July 2018, which replaces both MSB 118 Revenue and MSB 111 Construction

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 \$4,384,892 at 30 June 2019. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to AA+, except for Catholic Development Fund (\$2,792,835). 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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

18. Financial instruments – Fair values and risk management

(b) Financial risk management (continued)

(iii) Liquidity risk

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

(iv) Market risk

Market risk is the risk that changes in market prices - interest rates and equity prices - will affect the Trust's income or the value of its holdings of financial instruments. 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 2019 \$
2019			
Term deposits	42,062,740	-	42,062,740
Managed Funds	-	101,063,643	101,063,643
Total investments	42,062,740	101,063,643	143,126,383
	Fixed return financial investments \$	Variable return financial investments \$	Carrying value at 30 June 2018 \$
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	137,600,824

19. Capital Commitments

As at 30 June 2019, below are the capital commitments for Major Works performed that will be realised within twelve months:

	2019 \$	2018 \$
Major Works		
St Caterina Crypts	7,540,251	-
Road Upgrades at Rookwood	-	643,825
Total	7,540,251	643,825



Notes to the financial statements (continued)

For the year ended 30 June 2019

20. Rental & Operating Commitments

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	Total
0 – 1 Years	58,758	58,758
1 – 5 Years	220,343	220,343
5+ Years	-	-
	279,101	279,101

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 Bishop	Mr Melvyn White (Chief Operating Officer)
Terence Brady DD VG	Mr David Renneberg (Chief Finance Officer)
Mrs Grace Fava	Ms Lauren Hardgrove (Director, Client Services)
Mr Tony Khoury	Mrs Narrelle Hunt (Human Resources Manager)
Ms Margaret Mccue	Mr Stephen Stewart (Western Region Manager, Cemetery Services Resigned 28 June 2019)
Mr Anthony Farley	Mr Martin Hennessey (WH&S/Facilities Manager Appointed 27 August 2018, Resigned 10 July 2019)
Mr Danny Casey	
Mr Anthony Cleary	
Ms Selina Hasham	

(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 2018/19, total remuneration was \$187,252. This was paid by CCB by a funds transfer from CMCT.



Notes to the financial statements (continued)

For the year ended 30 June 2019

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.

	2019 \$	2018 \$
Short-term employee benefits	1,250,828	1,156,359
Post-employment benefits	112,004	98,375
	1,362,832	1,254,734

(c) Other related Party transactions

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

	2019 \$	2018 \$
CCB - Greendale Maintenance Charges	34,275	35,521
NR - Corporate Support	25,500	25,000
	59,775	60,521

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 2019.

However, there are two events that have occurred and are material for the next financial year:

- The DA for design for Macarthur Memorial Park was approved by the Sydney Western Planning Panel on 19th July 2019. Outlays over \$45m is anticipated over the next three years with construction commencing in the second half of the next financial year.
- The DA for Wallacia Memorial Park was rejected by the Independent Planning Commission (IPC) on 12th July 2019. While the DA for the design wasn't approved, CMCT is considering another DA of alternative designs to satisfy the IPC concerns.

These developments will have important implications for the revaluation of land to fair value as at 30 June 2020. Refer to note 3(f).

23. Auditor's remuneration

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

	2019 \$	2018 \$
Audit and review of financial reports:	38,000	35,475
Other services	4,000	18,079
	42,000	53,554

For 2019, of the overall audit fees of \$44,000 for review of financial reports of which, CCB and North Rocks has been assigned \$3,000 each.



Notes to the financial statements (continued)

For the year ended 30 June 2019

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(f)

(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. As a result of adopting AASB 9 (refer to note 3(m)), the gains and losses are now recognised in the Statement of Profit or Loss rather than Other Comprehensive Income.



Board Members Declaration

For the year ended 30 June 2019

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 41 to 66, 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 2019 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 28th day
of August 2019



Independent Auditor's Opinion

For the year ended 30 June 2019



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 2019, 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 2019 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.

Nexia Sydney Audit Pty Ltd
Level 16, 1 Market Street
Sydney NSW 2000
PO Box H195
Australia Square NSW 1215
p +61 2 9251 4600
f +61 2 9251 7138
e info@nexiasydney.com.au
w nexia.com.au

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Independent Auditor's Opinion

For the year ended 30 June 2019

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.

NEXIA SYDNEY AUDIT PTY LIMITED

Brett Hanger
Director

Dated at Sydney, this 30th day of August 2019

Directory

Catholic Metropolitan Cemeteries Trust

ABN 85 744 325 709

Registered Office

Level 2, 11 Murray Rose Ave,
Sydney Olympic Park NSW 2127

Rookwood Catholic Cemetery

Barnet Avenue
Rookwood NSW 2141
PO Box 10
Lidcombe NSW 1825
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
enquiries@catholiccemeteries.com.au

Greendale Catholic Cemetery

447-455 Greendale Rd
Greendale NSW 2745
Phone: 02 9826 2273
info@liverpoolcemetery.com.au

Website

www.catholiccemeteries.com.au





**Catholic
Cemeteries +
Crematoria**