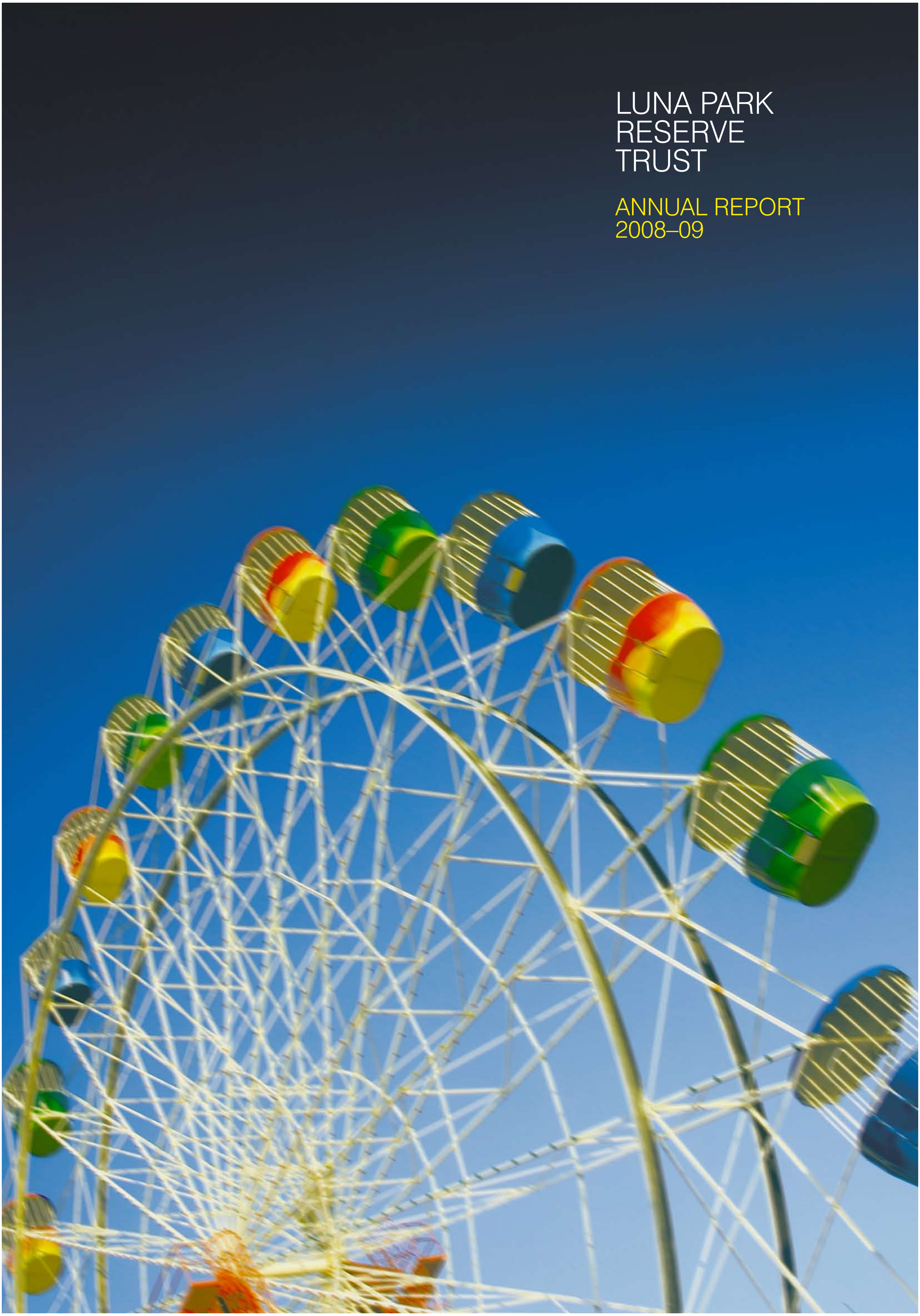
LUNA PARK RESERVE TRUST

ANNUAL REPORT 2008–09



Chairman's message

Luna Park Reserve Trust's purpose is to preserve Luna Park as a heritage harbourside attraction for all Sydneysiders and visitors to enjoy.

During the year, the Trust continued work with the park's operator, Luna Park Sydney Pty Ltd, to protect the site's famous assets and ensure it remains a viable entertainment precinct. Achievements included major heritage restoration works, a review of the park's Plan of Management and preparation of a total asset management plan. In June 2009, the NSW Planning Minister also announced that Luna Park would be listed on the State Heritage Register to further recognise its cultural and historical significance.

As the manager of Luna Park Reserve Trust, Sydney Harbour Foreshore Authority is responsible for overseeing the Trust's operations. I would like to thank my fellow Board members and the Authority's employees for remaining committed to Luna Park's preservation, while also working with Luna Park Sydney to explore new opportunities for the park's future.

In the year ahead, the Trust looks forward to the creation of new recreational space on Luna Park's cliff top, which will give visitors a new way to experience the wonder of Luna Park.

Michael Collins

Chairman
Sydney Harbour Foreshore Authority

Letter to the Minister

The Hon. Kristina Keneally MP
Minister for Planning
Level 35
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

I have pleasure in submitting the Luna Park Reserve Trust Annual Report for the year ended 30 June 2009.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984,* the *Public Finance and Audit Act 1983* and the Regulations under those Acts.

Yours sincerely

Michael Collins

Chairman
Sydney Harbour Foreshore Authority

Contents

About Luna Park Reserve Trust

At a glance

Luna Park Reserve Trust is responsible for the care, control and management of the 3.13 hectares of Milsons Point that make up Luna Park Reserve. The Trust's purpose is to ensure that Luna Park and the surrounding harbour foreshore are conserved for all Sydneysiders and visitors to enjoy.

Managed by Sydney Harbour Foreshore Authority, the Trust oversees a 40-year operating lease for the Luna Park site and manages the Heritage and Infrastructure Fund to conserve and improve the park's heritage and infrastructure features.

The Trust was established in 1990 when the Luna Park Site Act commenced under the *Crown Lands Act 1989*. Luna Park Reserve is dedicated under the Crown Lands Act for the purpose of public recreation, amusement and entertainment.

The Minister for Planning has administrative responsibility for these Acts as they relate to the Luna Park Reserve and oversees the Trust, any land dealings at Luna Park and its general administration.

The Minister for Planning is also the consent authority for any development at Luna Park, which is listed as a Schedule 3 site (State significant) under State Environmental Planning Policy – Major Projects 2005.

Luna Park Sydney Pty Ltd has complete operational responsibility for the day-to-day running of the park. The Trust works closely with Luna Park Sydney to ensure that the site remains a viable amusement park and entertainment precinct.

Luna Park Reserve includes:

- the boardwalk and foreshore to the west of the site, which provides public access along the harbour foreshore
- the entertainment precinct between the boardwalk and foreshore and the base of the cliff where the fun park is located
- the cliff top, which adjoins Glen Street and Northcliff Street to the east, but is physically and visually isolated from the remainder of the site.

Heritage and conservation

The 1930s amusement park at Luna Park Reserve is also protected under a local heritage listing and its conservation is funded through the commercial operation of the park.

The Heritage and Infrastructure Fund is administered by Luna Park Reserve Trust and receives 3 per cent of the gross rental paid by Luna Park Sydney to the Trust. Each year, Luna Park Sydney develops work priorities and a budget for the fund, which are submitted to the Trust for approval.

In 2008, works undertaken at the park included major repairs to the seawall underneath Crystal Palace and improvements to Coney Island, including the installation of the new Mirror Maze.

In June 2009, the NSW Planning Minister announced that Luna Park would be listed on the State Heritage Register to recognise it as a historically significant landmark on Sydney's Harbour along with the Opera House and Harbour Bridge.

Some of the park's assets are also listed on Sydney Harbour Foreshore Authority's Heritage and Conservation Register. These include the fig trees on Glen Street and the cliff face on Olympic Drive, as well as Luna Park Reserve in its entirety.

Luna Park Plan of Management

The Luna Park Plan of Management was adopted by the NSW Government in 1998 under the provisions of Section 114 of the Crown Lands Act to assist the Luna Park Reserve Trust to oversee the activities of leaseholders operating the Park.

The Plan of Management is currently being reviewed by Sydney Harbour Foreshore Authority on behalf of Luna Park Reserve Trust to determine whether its objectives are still appropriate for the current and emerging requirements of Luna Park.

Noise control

As required by Luna Park's Acoustic Plan of Management, Luna Park Sydney annually commissions an independent noise audit review. This report is submitted each year to the Department of Planning and North Sydney Council.

In October 2005, the Government introduced the *Luna Park Site Amendment (Noise Control) Act 2005*. This legislation prevents individuals from taking criminal or civil proceedings or noise abatement action against Luna Park's operators as long as specified maximum permissible noise levels are not exceeded.

New public park and restaurant for the cliff top

Mrs Penelope Seidler is finalising plans to construct a public park on Luna Park's cliff top in dedication to her late husband, architect Harry Seidler. The Planning Minister has provided development consent for the creation of the park and the Trust and Luna Park Sydney have agreed to covenants which will ensure the site will remain a public park.

Construction work on the park is expected to begin in late 2009. Luna Park Sydney will maintain the park, as well as landscape and maintain a further 1,640 square metres of open space on the cliff top. Development consent for a new restaurant within that additional open space has been granted to Luna Park Sydney.

Future of the Palais de Danse

The Palais de Danse, a covered pontoon that was once moored alongside Luna Park, was relocated from Berrys Bay to Australian Wharf and Bridge's yard at Rozelle Bay in April 2009.

The Trust is working closely with the Department of Planning to finalise the adaptive reuse of the Palais de Dance as a working platform on Sydney Harbour.

Corporate governance

Board members

Sydney Harbour Foreshore Authority, which manages Luna Park Reserve Trust, has corporate status under Section 10 of the *Sydney Harbour Foreshore Authority Act 1998*. The Authority's Board acts as the Luna Park Reserve Trust Board.

The Board comprises the Authority's Chief Executive Officer, the Director-General of the Department of Planning and a maximum of five people appointed by the Minister, one of whom is appointed as the Chairperson.

Board members at 30 June 2009 were:

- Michael Collins, Chairman
- Robert Domm, Chief Executive Officer of the Authority
- Bonnie Boezeman AO
- Clive Craven
- Gabrielle Trainor
- Michael Gallagher
- Tom Gellibrand, on behalf of the Director-General, Department of Planning.

Robert Domm replaced Dr Robert Lang as Chief Executive Officer of the Authority on 21 July 2008. Tom Gellibrand replaced Chris Johnson as the Department of Planning's nominee in May 2009.

Board member attendance at Luna Park Reserve Trust meetings in 2008–09

Board members	Board meetings	
	Possible	Attended
Michael Collins	6	5
Robert Domm	6	6
Bonnie Boezeman	6	5
Chris Johnson	5	2
Clive Craven	6	6
Gabrielle Trainor	6	5
Michael Gallagher	6	6
Tom Gellibrand	1	1

Risk management

The Authority's ongoing risk management program applies to Luna Park Reserve Trust's operations. The program has been effective in managing the Authority's risk exposure while contributing to organisational objectives. The Authority also maintains a program of internal audits to assess the effectiveness of controls and systems to mitigate risk.

Disability Action Plan

The park's operator, Luna Park Sydney Pty Ltd, is responsible for disability compliance. Access and facilities for people with a disability in accordance with Part D3 of the Building Code of Australia is required for all development consents.

Code of conduct

Sydney Harbour Foreshore Authority's Code of Conduct embodies the public sector values of integrity, diligence, economy, efficiency and accountability. The code outlines the standards and behaviours that are expected of employees and applies to Luna Park Reserve Trust.

Human resources

Luna Park Reserve Trust has no staff, with project management undertaken by the Authority. Information about the Authority's employees and workplace initiatives is available in its annual report at www.shfa.nsw.gov.au.

Ethnic Affairs Priorities Statement

The Authority's commitment to developing initiatives to cater to people from culturally and linguistically diverse backgrounds applies to Luna Park Reserve Trust.

Freedom of information

There were no requests made to the Authority during the year under the *Freedom of Information Act 1989* for information relating to Luna Park Reserve Trust.

Privacy Management Plan

The Authority's Privacy Management Plan aims to protect the privacy of individuals from inappropriate collection, storage, use and disclosure of personal information. It applies to all staff, consultants and contractors engaged by the Authority and, where relevant, to Luna Park Reserve Trust. The plan is available at www.shfa.nsw.gov.au.

Consultants

There were no consultants appointed specifically to the Luna Park Reserve Trust during 2008–09.

Annual report production

This report was written and designed in-house by Sydney Harbour Foreshore Authority. The total cost for external production and printing was $1,232. The report is available at www.shfa.nsw.gov.au.

Statement by the Manager of the Trust on the adoption of the financial statements for the year ended 30 June 2009

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the members of the Board of Sydney Harbour Foreshore Authority (Manager of Luna Park Reserve Trust), we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of the Luna Park Reserve Trust as at 30 June 2009; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983,* the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Collins

Chairman
Sydney Harbour Foreshore Authority
(Manager of the Trust)

Robert Domm

Chief Executive Officer
Sydney Harbour Foreshore Authority
(Manager of the Trust)

8 October 2009
Sydney

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Luna Park Reserve Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Luna Park Reserve Trust (the Trust), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Trust as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Trust Manager's Responsibility for the Financial Report

The Trust Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Trust's preparation and fair presentation of the financial report 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 Trust's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trust Manager, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Trust,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

James Sugumar
Director, Financial Audit Services

13 October 2009
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $'000	2008 $'000
Revenue from continuing operations	3	**1,567**	**1,552**
Expenses			
Management fee		(71)	(68)
Auditor's remuneration		(15)	(15)
Depreciation	8(b)	(466)	(466)
Reimbursements for heritage and infrastructure works during 2003–04		(670)	(1,010)
Repairs and maintenance		(947)	(445)
Legal fees		(35)	(99)
Other		(2)	(7)
Total expenses		**(2,206)**	**(2,110)**
Deficit for the year		**(639)**	**(558)**

The above Income Statement to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 $'000	2008 $'000
Assets			
Current assets			
Cash and cash equivalents	4	53	278
Trade and other receivables	7	327	339
Total current assets		**380**	**617**
Non-current assets			
Property, plant and equipment	8	25,348	25,814
Total non-current assets		**25,348**	**25,814**
Total assets		**25,728**	**26,431**
Liabilities			
Current liabilities			
Trade and other payables	9	165	229
Total current liabilities		**165**	**229**
Non-current liabilities			
Total non-current liabilities		**-**	**-**
Total liabilities		**165**	**229**
Net assets		**25,563**	**26,202**
Equity			
Asset revaluation reserve	10	15,906	15,906
Accumulated funds	11	9,657	10,296
Total equity		**25,563**	**26,202**

The above Balance Sheet is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $'000	2008 $'000
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	10	-	-
Deficit for the year		(639)	(558)
Total income and expense recognised for the year		**(639)**	**(558)**

The above Statement of Recognised Income and Expense is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $'000	2008 $'000
Cash flows from operating activities			
Receipts from customers		1,708	1,455
Payments to suppliers		(1,295)	(760)
Heritage and infrastructure payments		(670)	(1,010)
Interest received		7	33
Other receipts		25	13
Net cash used in operating activities	6	**(225)**	**(269)**
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net decrease in cash held		**(225)**	**(269)**
Cash at the start of the financial year		**278**	**547**
Cash at the end of the financial year	4	**53**	**278**

The above Cash Flow Statement is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Note 1 – Reporting entity

The Luna Park Reserve Trust (the Trust) was established on 12 October 1990, under the Luna Park Site Act 1990. The purpose of the Trust is to control the Luna Park Site, which has been dedicated to an area of public amusement, recreation and entertainment.

On 9 February 2001, Sydney Harbour Foreshore Authority (the Authority) was appointed to manage the affairs of the Luna Park Reserve Trust.

Note 2 – Statement of significant accounting policies

a) Basis of preparation

The Trust's financial report is a general purpose financial report which has been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations
- the requirement of the Public Finance and Audit Act 1983.

Set out below is a summary of the significant accounting policies adopted by the Trust.

Historical cost convention

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trust has determined its status as not-for-profit for financial reporting purposes.

The financial report is presented in Australian dollars rounded to the nearest thousand.

b) Revenue recognition

Revenue is recognised when the Trust has control of the assets that result from income generating transactions or the right to receive control, it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Lease revenue

Lease revenue from operating leases is recognised on straight-line basis over the lease term. The lease payments received in advance are recorded as a liability and recognised as revenue over the lease term.

(ii) Investment revenue

Investment revenue is recognised on an accrual basis using the effective interest method.

(iii) Heritage and infrastructure revenue

Heritage and infrastructure revenue is recognised on an accrual basis.

c) Income tax

The Trust is exempt from income tax under section 50-25 of Income Tax Assessment Act 1997.

d) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

e) Revaluation of physical non current assets

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment.*

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Land and buildings are revalued at least every three years or with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2007 and was based on an independent assessment.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

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

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

f) Property, plant and equipment

Land and buildings are measured at fair value less depreciation recognised after the date of revaluation. Plant and equipment is stated at historical cost less accumulated depreciation.

g) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life by the Trust. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Land is not a depreciable asset.

The following depreciation rates were applied in 2008–09 and 2007–08:

Buildings	2.9–7.1%
Infrastructure	2.9–5.0%

(h) Major inspection costs

When each major inspection is performed, the labour cost of performing inspections for faults, is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

i) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

j) Maintenance

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

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

l) Payables

These amounts represent liabilities for goods and services provided to the Trust. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

m) Personnel services expense

The Trust does not employ staff but utilises the personnel services of the Authority. The personnel services expenses are provided and a management fee is charged by the Authority according to services performed. The Trust has no employee obligations under this arrangement.

n) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

o) New Australian Accounting Standards issues

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting period. The Trust did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 3 *Business Combinations* (1 July 2009)
- AASB 127 *Consolidated and Separate Financial Statements* (1 July 2009)
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]* (1 July 2009)
- AASB 8 *Operating Segments* (1 January 2009)
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]* (1 January 2009)
- AASB 101 *Presentation of Financial Statements* (1 January 2009)
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (1 January 2009)
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* (1 January 2009)
- AASB 123 *Borrowing Costs* (1 January 2009)
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]* (1 January 2009)
- AASB 1039 *Concise Financial Reports* (1 January 2009)
- AASB 2008-1 *Amendments to Australian Accounting Standard - Share Based Payments: Vesting Conditions and Cancellations [AASB 2]* (1 January 2009)
- AASB 2008-2 *Amendments to Australian Accounting Standard - Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]* (1 January 2009)
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]* (1 January 2009)
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]* (1 July 2009)
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]* (1 January 2009)
- AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items [AASB 139]* (1 July 2009)
- AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101* (1 January 2009)
- AASB 2008-11 *Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3]* (1 July 2009)
- AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]* (Ending 30 April 2009)
- AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]* (Ending 30 April 2009)
- Interpretation 15 *Agreements for the Construction of Real Estate* (1 January 2009)
- Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (1 October 2008)
- Interpretation 17 *Distributions of Non-cash Assets to Owners* (1 July 2009)
- Interpretation 18 *Transfers of Assets from Customers* (Ending 1 July 2009)

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Trust.

LUNA PARK RESERVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	2009 $'000	2008 $'000
Note 3 – Revenue from continuing operations		
Property rental	614	604
Heritage and infrastructure revenue	921	902
Interest received	7	33
Other revenue	25	13
	1,567	**1,552**
Interest revenue is made up of the following:		
Interest from cash at bank	7	17
Interest from TCorp cash facility	-	16
	7	**33**
Note 4 – Cash and cash equivalents		
For the purposes of the Cash Flow Statement, cash includes cash at bank and investments in NSW Treasury Corporation – Hour Glass facilities.		
Cash at bank	47	272
NSW Treasury Corporation – Hour Glass short-term cash facility	6	6
	53	**278**
Note 5 – Restricted assets		
At 1 July 2008	160	57
Heritage and infrastructure rent and funds transferred from Luna Park Reserve Trust bank account	1,605	1,521
Expenses related to heritage and infrastructure works during the period	(1,090)	(408)
Reimbursements for heritage and infrastructure works during 2003–04	(670)	(1,010)
At 30 June 2009	**5**	**160**

The Luna Park Heritage Infrastructure Fund, included in cash, is restricted in application under the Trust. Funds can only be spent on the maintenance of heritage and infrastructure Items as defined in the Trust Deed.

Note 6 – Reconciliation of operating surplus/(deficit) for the year to net cash flows used in operating activities

	2009 $'000	2008 $'000
Deficit for the year	(639)	(558)
Non cash flows in operating deficit:		
Depreciation	466	466
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	12	(229)
(Decrease)/increase in payables	(64)	52
Net cash flows used in operating activities	**(225)**	**(269)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	2009 $'000	2008 $'000
Note 7 – Trade and other receivables		
Rent receivable	318	339
GST receivable	9	-
	327	**339**
Note 8 – Property, plant and equipment		
a) Amounts shown in the Balance Sheet are derived as follows:		
Land	10,895	10,895
At fair value	10,895	10,895
Buildings		
At gross value	20,655	20,655
Accumulated depreciation	(12,936)	(12,688)
Carrying amount	7,719	7,967
Infrastructure		
At gross value	11,370	11,370
Accumulated depreciation	(4,636)	(4,418)
Carrying amount	6,734	6,952
Total property, plant and equipment	**25,348**	**25,814**
b) Reconciliations		
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:		
Land		
Carrying amount at 1 July	10,895	10,895
Carrying amount at 30 June	10,895	10,895
Buildings		
Carrying amount at 1 July	7,967	8,215
Depreciation expense	(248)	(248)
Carrying amount at 30 June	7,719	7,967
Infrastructure		
Carrying amount at 1 July	6,952	7,170
Depreciation expense	(218)	(218)
Carrying amount at 30 June	6,734	6,952
Total property, plant and equipment		
Carrying amount at 1 July	25,814	26,280
Depreciation expense	(466)	(466)
Carrying amount at 30 June	**25,348**	**25,814**

LUNA PARK RESERVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	2009 $'000	2008 $'000
Note 9 – Trade and other payables		
Trade creditors	79	-
Security deposits	-	13
GST payable	-	27
Accrued expenses	86	189
	165	**229**
Note 10 – Asset revaluation reserve		
Balance at the beginning of financial year	15,906	15,906
Increment/(decrement) on revaluation of property, plant and equipment	-	-
Balance at the end of financial year	**15,906**	**15,906**
Note 11 – Accumulated funds		
Balance at the beginning of financial year	10,296	10,854
Deficit for the year	(639)	(558)
Balance at the end of financial year	**9,657**	**10,296**

Note 12 – Commitments for expenditure

The Trust has no expenditure commitments at 30 June 2009 (None at 30 June 2008).

Note 13 – Contingencies

The operator incurred expenditure for the heritage and infrastructure works during 2003–04. The total cost of these works of $5.738 million was independently certified. The lease agreement provides for reimbursement to the operator for the heritage and infrastructure works, if there are excess funds in the Heritage and Infrastructure Fund Account in any lease year. The Trust has progressively made payments of $4.668 million. The balance as at 30 June 2009 is $1.070 million.

	2009 $'000	2008 $'000
Heritage and infrastructure works at the beginning of the year	1,740	2,750
Less: payments made during the period	(670)	(1,010)
Contingent liability at 30 June 2009	**1,070**	**1,740**

Note 14 – Financial instruments

The Trust's principal financial instruments are outlined below. These financial instruments arise directly from the Trust's operations or are required to finance the Trust's operations. The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Trust's main risks arising from financial instruments are outlined below, together with the Trust's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Audit and Risk Management Committee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Trust, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Management Committee and internal auditors on an ongoing basis.

a) Financial instrument categories

Financial assets	Note	Category	Carrying amount	Carrying amount
Class:			**2009 $'000**	**2008 $'000**
Cash and cash equivalents	**4**	n/a	53	278
Receivables	**7**	Receivables at amortised cost	318	339

Financial liabilities	Note	Category	Carrying amount	Carrying amount
Class:			**2009 $'000**	**2008 $'000**
Payables	**9**	Financial liabilities measured at amortised cost	79	13

b) Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Trust, including cash, receivables and deposits. No collateral is held by the Trust. The Trust has not granted any financial guarantees.

Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand, bank balances and short-term deposits with major banks, and investments with NSW Treasury Corporation's Hour-Glass facilities.

The Trust's investment is represented by a number of units of a management investment pool with each particular pool having different horizons and being comprised of a mix of asset classes appropriate to that investment horizon. NSW Treasury Corporation appoints and monitors the application of appropriate investment guidelines.

This investment is generally able to be redeemed daily by 12 pm. The value of the investment held can increase as well as decrease depending on market conditions. The value of the above investment represents the Trust's share of the value of the underlying assets of the facility, and those assets as stated at net value. The weighted average rate of return on these investments during the year was 5.19% (2008: 6.39%).

Receivables – Trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

Debtors that are not past due (2009: $0.152 million; 2008: $0.220 million) and debtors that are past due but not considered impaired (2009: $0.166 million; 2008: $0.119 million) represent 100% of the total debtors. There are no debtors which together are currently not past due or impaired whose terms have been renegotiated. There are no debtors that are considered impaired.

The only financial assets that are past due are 'sales of services' in the 'receivables' category of the balance sheet.

	Total	Past due but not impaired	Considered impaired
	$'000	$'000	$'000
2009			
< 3 months overdue	166	166	-
3–6 months overdue	-	-	-
> 6 months overdue	-	-	-
2008			
< 3 months overdue	119	119	-
3–6 months overdue	-	-	-
> 6 months overdue	-	-	-

c) Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Trust has no borrowings as at 30 June 2009.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the Trust's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

			Interest rate exposure			Maturity dates		
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2009								
Payables:								
Trade and sundry creditors	-	79	-	-	79	79	-	-
		79	**-**	**-**	**79**	**79**	**-**	**-**
2008								
Payables:								
Security deposits and bonds	-	13	-	-	13	-	-	13
		13	**-**	**-**	**13**	**-**	**-**	**13**

Note: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Balance Sheet.

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposures to market risk are primarily through interest rate risk on the Trust's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Trust has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Trust's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Trust does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Trust's exposure to interest rate risk is set out below.

		-1%		1%	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**
2009	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Cash and cash equivalents	53	(2)	(2)	2	2
Receivables	318	-	-	-	-
Financial liabilities					
Payables	79	-	-	-	-
2008					
Financial assets					
Cash and cash equivalents	278	(5)	(5)	5	5
Receivables	339	-	-	-	-
Financial liabilities					
Payables	13	-	-	-	-

Other price risk – TCorp Hour Glass

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes.

The Trust has no direct equity investments. The Trust holds units in the following Hour Glass investment trusts:

Facility	Investment sectors	Investment horizon	2009 $'000	2008 $'000
Cash facility	Cash, money market	Up to 2 years	6	6

The unit price of the facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue. Unit prices are calculated and published daily.

NSW TCorp as trustee for the above facility is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour Glass facilities limits the Trust's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for the facility, using historically based volatility information. The TCorp Hour Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

		Impact on profit/loss	
	Change in unit price	2009 $'000	2008 $'000
Hour Glass investment – Cash facility	+/- 1%	-	-

e) Fair value

The Trust's financial instruments are recognised at cost except for Tcorp Hour Glass facilities. The Trust has not identified any financial instruments whose fair value differs materially from the carrying amount.

Note 15 – Events after balance sheet date

The Trust has not identified any events or transactions that are material to require adjustments or disclosures in the financial report.

END OF AUDITED FINANCIAL STATEMENTS

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