

Board of the Botanic Gardens and State Herbarium

Financial report
for the year ended
30 June 2021



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Presiding Member Board of the Botanic Gardens and State Herbarium

Opinion

I have audited the financial report of Board of the Botanic Gardens and State Herbarium (the Board) for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, and the Director, Botanic Gardens and State Herbarium, and the Chief Financial Officer of the Department for Environment and Water.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Director, Botanic Gardens and State Herbarium and the Board for the financial report

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Botanic Gardens and State Herbarium Act 1978*, I have audited the financial report of the Board for the financial year ended 30 June 2021.

My 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 my 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 this financial report.

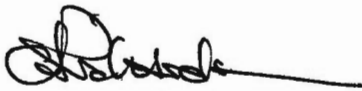
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 my 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 Board's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director's 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Presiding Member and Director about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

28 September 2021

Board of Botanic Gardens and State Herbarium

Financial Statements

For the year ended 30 June 2021

Board of Botanic Gardens and State Herbarium
Certification of the Financial Statements
for the year ended 30 June 2021

We certify that the:

- financial statements of the Board of Botanic Gardens and State Herbarium:
 - are in accordance with the accounts and records of the Board;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Board at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Board of Botanic Gardens and State Herbarium for the financial year over its financial reporting and its preparation of financial statements have been effective.



Judy Potter

Presiding Member

Board of the Botanic Gardens and State
Herbarium

27 September 2021



Michael Harvey

Director

Botanic Gardens and State Herbarium

Department for Environment and Water

27 September 2021



Shaun O'Brien

Chief Financial Officer

Department for Environment and Water

27 September 2021

Board of Botanic Gardens and State Herbarium
Statement of Comprehensive Income
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|--|------|----------------|----------------|
| Income | | | |
| Revenues from fees and charges | 2.1 | 2 150 | 1 640 |
| Grant revenues | 2.2 | 322 | 122 |
| Intra-government transfers | 2.3 | 149 | 74 |
| Interest | 2.4 | 1 | 18 |
| Resources received free of charge | 2.5 | 297 | 668 |
| Other income | 2.6 | 1 348 | 1 146 |
| Total income | | 4 267 | 3 668 |
| Expenses | | | |
| Board member expenses | 3.3 | 109 | 113 |
| Supplies and services | 4.1 | 1 437 | 881 |
| Depreciation | 5.1 | 2 129 | 2 166 |
| Reimbursement of DEW expenses | 4.2 | 655 | 829 |
| Other expenses | 4.3 | 31 | 21 |
| Total expenses | | 4 361 | 4 010 |
| Net result | | (94) | (342) |
| OTHER COMPREHENSIVE INCOME | | | |
| Changes in property, plant and equipment asset revaluation surplus | 5.1 | (295) | 3 483 |
| Total other comprehensive income | | (295) | 3 483 |
| Total comprehensive result | | (389) | 3 141 |

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Board of Botanic Gardens and State Herbarium
Statement of Financial Position
as at 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|----------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 6.1 | 4 780 | 3 959 |
| Receivables | 6.2 | 813 | 58 |
| Inventories | 5.2 | 125 | 72 |
| Total current assets | | 5 718 | 4 089 |
| Non-current assets | | | |
| Property, plant and equipment | 5.1 | 59 057 | 60 919 |
| Total non-current assets | | 59 057 | 60 919 |
| Total assets | | 64 775 | 65 008 |
| Current liabilities | | | |
| Payables | 7.1 | 188 | 99 |
| Other liabilities | | 67 | - |
| Total current liabilities | | 255 | 99 |
| Total liabilities | | 255 | 99 |
| Net assets | | 64 520 | 64 909 |
| Equity | | | |
| Retained earnings | | 42 570 | 42 664 |
| Asset revaluation surplus | | 21 950 | 22 245 |
| Total equity | | 64 520 | 64 909 |

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Board of Botanic Gardens and State Herbarium
Statement of Changes in Equity
for the year ended 30 June 2021

| | Asset revaluation surplus \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|---|---|---|------------------------------------|
| Balance at 1 July 2019 | 18 762 | 43 006 | 61 768 |
| Net result for 2019-20 | - | (342) | (342) |
| Gain/(loss) on revaluation of property, plant and equipment | 3 483 | - | 3 483 |
| Total comprehensive result for 2019-20 | 3 483 | (342) | 3 141 |
| Balance at 30 June 2020 | 22 245 | 42 664 | 64 909 |
| Net result for 2020-21 | - | (94) | (94) |
| Gain/(loss) on revaluation of property, plant and equipment | (295) | - | (295) |
| Total comprehensive result for 2020-21 | (295) | (94) | (389) |
| Balance at 30 June 2021 | 21 950 | 42 570 | 64 520 |

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Board of Botanic Gardens and State Herbarium
Statement of Cash Flows
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|----------------|----------------|
| Cash flows from operating activities | | | |
| <i>Cash inflows</i> | | | |
| Fees and charges | | 1 393 | 1 704 |
| Receipts from grants | | 322 | 122 |
| Intra-government transfers | | 149 | 74 |
| Interest received | | 1 | 23 |
| Other receipts | | 1 095 | 549 |
| Cash generated from operating activities | | 2 960 | 2 472 |
| <i>Cash outflows</i> | | | |
| Board member payments | | (109) | (113) |
| Payments for supplies and services | | (1 283) | (974) |
| Payments for grants and subsidies | | (655) | (829) |
| Other payments | | (33) | (28) |
| Cash used in operating activities | | (2 080) | (1 944) |
| Net cash provided by operating activities | | 880 | 528 |
| Cash flows from investing activities | | | |
| <i>Cash outflows</i> | | | |
| Purchases of property, plant and equipment | 5.1 | (59) | (99) |
| Cash generated from investing activities | | (59) | (99) |
| Net cash used in investing activities | | (59) | (99) |
| Net increase in cash and cash equivalents | | 821 | 429 |
| Cash and cash equivalents at the beginning of the reporting period | | 3 959 | 3 530 |
| Cash and cash equivalents at the end of the reporting period | 6.1 | 4 780 | 3 959 |

The accompanying notes form part of these financial statements.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1. About the Board of Botanic Gardens and State Herbarium

The Board of the Botanic Gardens and State Herbarium (the Board) is a reporting entity, established pursuant to the *Botanic Gardens and State Herbarium Act 1978*.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Department for Environment and Water (DEW) prepares a Business Activity Statement on behalf of the Board under the grouping provisions of the Goods and Services Tax (GST) legislation. Under these provisions, DEW is liable for the payments and entitled to the receipts associated with GST. Therefore, the Board's net GST receivable/payable is recorded in DEW's Statement of Financial Position. GST cash flows applicable to the Board are recorded in DEW's Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Board of Botanic Gardens and State Herbarium

Notes to and forming part of the financial statements

For the year ended 30 June 2021

1.2. Objectives and programs

Strategic context

The Board was established under section 6 of the *Botanic Gardens and State Herbarium Act 1978* (the Act).

The Board, on behalf of the South Australian community, has stewardship for the lands and premises placed under the control of the Board.

The objectives of the Board are to ensure the maintenance and development of the South Australian Botanic Gardens and State Herbarium, for the use and enjoyment for members of the public as well as supporting scientific research and educational activities.

Financial arrangements

The financial activities of the Board are administered through the Botanic Gardens Endowment and Commercial Fund (the Fund) in accordance with the Act. The Fund is an interest bearing Deposit Account with the Department of Treasury and Finance (DTF) pursuant to section 21(1) of the *Public Finance and Audit Act 1987* (PFAA).

DEW conducts a large number of activities directed towards meeting the Board's responsibilities under the Act. Due to DEW receiving appropriation funding, and directing and controlling the expenditure for these activities, the revenue and expenditure relating to those activities are recognised in DEW's financial statements rather than the Board's. Activities undertaken by DEW in support of the administration of the Act and Board are disclosed in note 8.1.

In accordance with the provisions of the Act, the Board has delegated certain functions to officers within DEW who provide certain technical and administrative support including the use of certain plant and equipment, office accommodation and various administrative services. The cost of the services provided that are identifiable with the activities of the Board and can be measured reliably, are met by the Board. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in these financial statements.

Programs of the Board

In achieving its objectives, the Board conducts its services through a single program, Botanic Gardens Management. The purpose of this program is to manage the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant appreciation, knowledge and conservation through our natural and cultural collections and programs. As the Board conducts its services through a single program, a Statement of Expenses and Income by Program has not been prepared.

1.3. Impact of COVID-19 pandemic on the Board

The COVID-19 pandemic impacted from March 2020. DEW on behalf of the Board ensured precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

Key impacts to the Board in 2020-21 was a reduction in capacity to complete some projects in the field, and the inability to hold major revenue earning events. The Board, supported by the Department of Treasury and Finance, also provided rent relief for three quarters of the 2020-21 financial year to commercial lessees operating within the Botanic Garden sites. Supplementary income was received from the Department of Treasury and Finance in lieu of this rental income, refer to note 2.3. Business interruption compensation was claimed and received through SAICORP for loss of net event and programme revenue due to COVID-19 restrictions, refer to note 2.6.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2. Income

2.1. Fees and charges

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Car parking | 1 109 | 669 |
| Garden functions | 82 | 633 |
| Property rental and related income | 162 | 236 |
| Expiation fees | 56 | 65 |
| Admissions and guided tours | 67 | 32 |
| Professional services | 657 | - |
| Sale of goods | 17 | 5 |
| Total revenues from fees and charges | 2 150 | 1 640 |

Car park revenue is predominately collected at Adelaide Botanic Garden and Botanic Park site and is recognised as income on receipt.

Professional services relate to bushfire recovery programs and threatened species work as part of the January 2020 bushfires in Kangaroo Island and Cudlee Creek and review of pest plants.

2.2. Grants

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Private industry and local government | 319 | 122 |
| Grants received from other entities within the SA Government | 3 | - |
| Total grant revenues | 322 | 122 |

All grant revenues are recognised by the Board on receipt.

2.3. Intra-government transfers

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Rent relief reimbursement from the Department of Treasury and Finance | 149 | 74 |
| Total intra-government transfers | 149 | 74 |

Intra-government transfers are recognised as income on receipt.

Rent relief measures actioned due to COVID-19 were reimbursed by the Department of Treasury and Finance. Refer to note 1.3.

2.4. Interest

| | 2021 | 2020 |
|--------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Interest on deposit accounts | 1 | 18 |
| Total interest revenues | 1 | 18 |

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.5. Resources received free of charge

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Plant and equipment | 109 | 393 |
| Park infrastructure | 188 | 209 |
| Buildings and improvements | - | 66 |
| Total resources received free of charge | 297 | 668 |

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

During the current year, assets to the value of \$0.297 million (2020: \$0.668 million) were transferred from DEW to the Board free of charge. Assets transferred related to Herbarium Gas Suppression and Amazon Waterlily pond upgrade.

2.6. Other income

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Insurance recoveries | 698 | - |
| Asset related adjustments | 255 | 597 |
| Reimbursement of Expenses | 294 | 518 |
| Sponsorships, donations, commissions and bequests | 101 | 31 |
| Total other income | 1 348 | 1 146 |

Insurance recoveries include \$0.698m in COVID-19 Business Interruption claim settlement payments from SAFA.

Asset related adjustments relate to assets that were not previously recognised by the Board which have been identified through asset stocktake processes during the financial year. All other revenue is recognised upon receipt.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Board include the Minister for Environment and Water, the Presiding Member, the Director and the other members of the Board who have responsibility for the strategic direction and management of the Board.

Total compensation for key management personnel was \$278 000 in 2020-21 and \$287 000 in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

There were no transactions with key management personnel (other than board remuneration) or related parties.

3.2. Board and committee members

Members of the Board during the 2021 financial year were:

Board of the Botanic Gardens & State Herbarium

J Potter (Presiding Member)

R DiMonte

J Restas

I M Redmond

E A Raupach

A Kay

L J Parry

P H Kennedy (appointed March 2021)

* In accordance with the Department of the Premier and Cabinet's Circular Number 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:

| | 2021 | 2020 |
|--------------------------------|----------|----------|
| \$0 - \$19 999 | 7 | 8 |
| \$20 000 - \$39 999 | 1 | 1 |
| Total number of members | 8 | 9 |

The total remuneration received or receivable by members was \$104 000 (2020: \$108 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.3. Board members expenses

| | 2021 | 2020 |
|--|------------|------------|
| | \$'000 | \$'000 |
| Board and committees fees | 96 | 100 |
| Remuneration on-costs - superannuation | 8 | 8 |
| Remuneration on-costs - other | 5 | 5 |
| Total board member expenses | 109 | 113 |

Board member expenses include all board fees and other costs including superannuation. These are recognised when incurred.

Services to the Board are provided by personnel employed by DEW; hence no employee benefits or related provisions are included in the Board's financial statements. Employee benefits relating to relevant employees are reflected in the financial statements of DEW.

4. Expenses

4.1. Supplies and services

| | 2021 | 2020 |
|--------------------------------------|--------------|------------|
| | \$'000 | \$'000 |
| Fee for service | 910 | 548 |
| Accommodation | 152 | 93 |
| General administration | 126 | 101 |
| Minor works, maintenance & equipment | 92 | 112 |
| Scientific and technical services | 82 | - |
| Consultants | 18 | - |
| Other | 57 | 27 |
| Total supplies and services | 1 437 | 881 |

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

| | 2021 | 2021 | 2020 | 2020 |
|-------------------|----------|-----------|----------|----------|
| | Number | \$'000 | Number | \$'000 |
| \$10 000 or above | 1 | 18 | - | - |
| Total | 1 | 18 | - | - |

4.2. Reimbursement of DEW expenses

| | 2021 | 2020 |
|--------------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Department for Environment and Water | 655 | 829 |
| Total grants and subsidies | 655 | 829 |

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4.3. Other expenses

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Movement in Inventory | (50) | (8) |
| Property, plant and equipment write-offs | 51 | - |
| Other (including audit fees) | 30 | 29 |
| Total other expenses | 31 | 21 |

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$29 700 (2020: \$29 100). No other services were provided by the Auditor-General's Department.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5. Non-financial assets

5.1. Property, plant and equipment owned by the Board

| Reconciliation 2020-21 | Land \$'000 | Buildings and improvements \$'000 | Park infrastructure \$'000 | Roads, tracks and trails \$'000 |
|---|----------------|---|----------------------------------|---------------------------------------|
| Carrying amount at 1 July 2020 | 22 165 | 17 906 | 10 295 | 1 121 |
| Acquisitions | - | - | - | - |
| Assets received for nil consideration | - | - | 188 | - |
| Initial Recognition | - | - | 92 | 77 |
| Asset related adjustments recognised in Other Income | - | - | 84 | 14 |
| Transfers between classes | - | - | 191 | (191) |
| Write-offs | - | - | - | (51) |
| Depreciation | - | (699) | (1 017) | (81) |
| Net revaluation decrement | - | - | - | (295) |
| Carrying amount at 30 June 2021 | 22 165 | 17 207 | 9 833 | 594 |

Gross carrying amount

| | | | | |
|---|---------------|---------------|--------------|------------|
| Gross carrying amount | 22 165 | 39 902 | 74 071 | 4 226 |
| Accumulated depreciation | - | (22 695) | (64 238) | (3 632) |
| Carrying amount at the end of the period | 22 165 | 17 207 | 9 833 | 594 |

| | Plant and equipment \$'000 | Other \$'000 | Capital work in progres \$'000 | Total \$'000 |
|---|----------------------------------|-----------------|--------------------------------------|-----------------|
| Carrying amount at 1 July 2020 | 1 360 | 8 072 | - | 60 919 |
| Acquisitions | - | - | 59 | 59 |
| Assets received for nil consideration | 109 | - | - | 297 |
| Initial Recognition | - | - | - | 169 |
| Asset related adjustments recognised in Other Income | (10) | - | - | 88 |
| Transfers between classes | - | - | - | - |
| Write-offs | - | - | - | (51) |
| Depreciation | (332) | - | - | (2 129) |
| Net revaluation decrement | - | - | - | (295) |
| Carrying amount at 30 June 2021 | 1 127 | 8 072 | 59 | 59 057 |

Gross carrying amount

| | | | | |
|---|--------------|--------------|-----------|---------------|
| Gross carrying amount | 3 457 | 8 072 | 59 | 151 952 |
| Accumulated depreciation | (2 330) | - | - | (92 895) |
| Carrying amount at the end of the period | 1 127 | 8 072 | 59 | 59 057 |

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.1. Property, plant and equipment owned by the Board (continued)

Reconciliation 2019-20

| | Land \$'000 | Buildings and improvements \$'000 | Park infrastructure \$'000 | Roads, tracks and trails \$'000 |
|---|----------------|---|----------------------------------|---------------------------------------|
| Carrying amount at 1 July 2019 | 18 682 | 18 550 | 10 717 | 903 |
| Acquisitions | - | - | 54 | 45 |
| Assets received for nil consideration | - | 66 | 209 | - |
| Asset related adjustments recognised in Other Income | - | - | 278 | 319 |
| Depreciation | - | (710) | (963) | (146) |
| Net revaluation increment | 3 483 | - | - | - |
| Carrying amount at 30 June 2020 | 22 165 | 17 906 | 10 295 | 1 121 |

Gross carrying amount

| | | | | |
|---|---------------|---------------|---------------|--------------|
| Gross carrying amount | 22 165 | 39 902 | 73 541 | 4 747 |
| Accumulated depreciation | - | (21 996) | (63 246) | (3 626) |
| Carrying amount at the end of the period | 22 165 | 17 906 | 10 295 | 1 121 |

| | Plant and equipment \$'000 | Other \$'000 | Total \$'000 |
|---|----------------------------------|-----------------|-----------------|
| Carrying amount at 1 July 2019 | 1 314 | 8 072 | 58 238 |
| Acquisitions | - | - | 99 |
| Assets received for nil consideration | 393 | - | 668 |
| Asset related adjustments recognised in Other Income | - | - | 597 |
| Depreciation | (347) | - | (2 166) |
| Net revaluation increment | - | - | 3 483 |
| Carrying amount at 30 June 2020 | 1 360 | 8 072 | 60 919 |
| Gross carrying amount | | | |
| Gross carrying amount | 3 457 | 8 072 | 151 884 |
| Accumulated depreciation | (2 097) | - | (90 965) |
| Carrying amount at the end of the period | 1 360 | 8 072 | 60 919 |

The assets presented below do not meet the definition of investment property.

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the department is recorded at fair value. Detail about the department's approach to fair value is set out in note 10.1.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.1. Property, plant and equipment owned by the Board (continued)

Impairment

Property, plant and equipment owned by the department has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in note 10.2. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

| Class of asset | Useful life (years) |
|----------------------------|----------------------------|
| Park Infrastructure | 1-60 |
| Plant and Equipment | 5-25 |
| Roads, Tracks and Trails | 6-35 |
| Other Assets | 5-99 |
| Furniture and Fittings | 10 |
| Buildings and Improvements | 9-105 |

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Board of Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
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5.2. Inventories

| | 2021 | 2020 |
|--|------------|-----------|
| | \$'000 | \$'000 |
| <u>Current - held for sale</u> | | |
| Inventories held for resale - at cost | | |
| Finished goods held for resale - at cost | 125 | 72 |
| Total inventories | 125 | 72 |

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for all other inventory is measured on the basis of the first in, first out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventory write-down

The amount of any inventory write-down to net realisable value or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction in the Statement of Comprehensive Income.

6. Financial assets

6.1. Cash and cash equivalents

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Deposits with the Treasurer | 4 780 | 3 959 |
| Total cash and cash equivalents | 4 780 | 3 959 |

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the Public Finance and *Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The Board invests surplus funds with the Treasurer. Interest is earned on the average monthly balance at rates based on the DTF 90-day average overnight cash interest rate and interest is paid at the end of each quarter. With the RBA interest rate cut on 1 November 2020, the official interest rate for interest bearing deposit accounts become 0%. As the RBA rate was set at 0.10%, the incremental 15 basis point are the administration fee of DTF.

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6.2. Receivables

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| <u>Current</u> | <u>\$'000</u> | <u>\$'000</u> |
| Trade receivables | | |
| From non government entities | 346 | 206 |
| Less impairment loss on receivables | (148) | (148) |
| Total trade receivables | 198 | 58 |
| Accrued revenue | 615 | - |
| Total current receivables | 813 | 58 |
| Total receivables | 813 | 58 |

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Receivables and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The impairment loss on receivables relates to doubtful debts initially recognised in the prior period. The matter is currently being heard by the courts and as at the reporting date a decision was still pending.

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

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7. Liabilities

7.1. Payables

| | 2021 \$'000 | 2020 \$'000 |
|-------------------------------|----------------|----------------|
| Current | | |
| Trade payable | 120 | 36 |
| Accrued expenses | 62 | 60 |
| Employee benefit on-costs | 6 | 3 |
| Total current payables | 188 | 99 |
| Total payables | 188 | 99 |

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

8. Other disclosures

8.1. Activities undertaken by Department for Environment and Water

The following details the expenses and revenues incurred by DEW in performing activities associated with the Board.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Expenses from ordinary activities | | |
| Employee benefits expenses | 5 850 | 5 761 |
| Supplies and services | 3 596 | 2 789 |
| Grants and subsidies | - | 306 |
| Depreciation | 591 | 492 |
| Assets donated to the Board | 297 | 668 |
| Other expenses | (7) | (18) |
| Total expenses from ordinary activities | 10 327 | 9 998 |
| Revenues from ordinary activities | | |
| Fees and charges | 191 | 305 |
| Grant | 860 | 1 000 |
| Total revenues from ordinary activities | 1 051 | 1 305 |

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9. Outlook

9.1. Unrecognised commitments

The Board had no unrecognised contractual commitments as at 30 June 2021. All capital commitments associated with the Board are managed by DEW and reflected in their financial statements.

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Board is not aware of the existence of any contingent assets or contingent liabilities.

9.3. COVID-19 pandemic outlook for the Board

The COVID-19 pandemic will continue to impact the operations of the Board in 2021-22. The key expected impacts are:

- Delays to some planned projects
- Postponement of scheduled / planned events
- Potential loss of car parking revenue
- Potential loss of rental revenue.

9.4. Events after the reporting period

There are no known events after balance date that affects these general purpose financial statements in a material manner.

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10. Measurement and risk

10.1. Fair Value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

State Herbarium Collection

The State Herbarium is the state's major provider of authoritative data and information on the plants, algae and fungi of South Australia. The collections of the State Herbarium comprise a large sustainable sample of the flora of South Australia, Australia and the world, particularly Mediterranean regions. These specimens, of which there are approximately 1 million, while providing a unique scientific resource require considerable maintenance.

The State Herbarium Collection is a heritage asset which is considered so unique that it is not capable of reliable measurement. Hence, the value of the collection has not been recognised in the Financial Statements.

Restrictions on use - land

Section 14 of the Act states that the Board may not dispose of any interest in land vested in it, nor may it be divested of the control of any land placed under its control, except in pursuance of a resolution passed by both Houses of Parliament.

Land controlled by the Board comprises of Crown land dedicated to the Board or held by the Minister for Environment and Water on behalf of the Board. The land generally has restrictions on use imposed by statute or by regulation. These restrictions have been taken into account by the independent valuers (State Valuation Office).

Carrying amounts of property, plant and equipment

Classes of property, plant and equipment are valued as follows:

(a) Independent valuation

Generic assets are valued using the Data Dictionary model. Unique assets are items which cannot be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers.

(b) At cost (acquisition cost)

This class includes one or more items that have an acquisition cost exceeding \$1.5 million. All assets within this class are temporarily held at cost pending revaluation.

(c) At cost (deemed fair value)

These assets have an acquisition cost below \$1.5 million and are deemed held at fair value.

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10.1. Fair Value (continued)

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of a non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Asset classes that did not satisfy this criteria and are therefore deemed to be at fair value are:

- Furniture and fittings
- Plant and equipment.

Every six years, the Board revalues its books and artefacts, land, buildings and improvements, park infrastructure and roads, tracks and trails via an independent Certified Practising Valuer.

If at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

For all property, plant and equipment assets that have been subject to an independent revaluation both the replacement cost and the associated accumulated depreciation have been presented on a gross basis.

Property, plant and equipment assets due for revaluation are assessed to determine whether they should be classified as generic assets or unique assets.

Generic building and improvements, infrastructure and road assets are valued using a data dictionary approach. The Data Dictionary model is contained within DEW's Asset Register and Management Information System (ARAMIS) system. The Data Dictionary model calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every five years.

An independent valuation was performed for the RTT asset class during the reporting period. RTT assets were revalued using a Data Dictionary approach. The Data Dictionary model is contained within DEW's ARAMIS software system. The revaluation was undertaken from February - April 2021, and applied as at 1 July 2020. Asset useful lives were also reviewed. The revaluation was undertaken by a Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI, of Valcorp Australia Pty Ltd.

Unique buildings and improvements and park infrastructure are assets for which application of the Data Dictionary model is considered inappropriate. Generally, these assets were constructed following specific fit-for purpose designs.

The valuers used by the Board are as follows:

- 1 July 2020, valuation of data dictionary: Roads, tracks and trails: Valcorp Australia Pty Ltd, Mr Fred Taormina, BAppSc (Val), AAPI
- 1 July 2019, valuation of land, Office of the Valuer-General, Mr Greg McCloud, FAPI CPV Senior Valuer
- 1 July 2016, valuation of data dictionary: buildings, infrastructure and roads, Valcorp Australia Pty Ltd, Mr Fred Taormina, BAppSc (Val), AAPI
- 1 July 2016, valuation of unique items, Herron Todd White, Mr Paul Tilley, FAPI, AREI, CREI (Val)
- 30 June 2017, valuation of other items:
 - Library collections, Mr Michael Treloar, Antiquarian and member of ANZAAB, ILAB and AAADAY
 - Fine Art Collections and Artefacts, Tusmore Antiques, Mr Anthony Hurl, BA, MSAA, MAASA, CINOA, Fine Art Valuer.

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10.1. Fair Value (continued)

The fair value of unique assets was determined by identifying a market buying price, estimated as written down modern equivalent replacement cost.

The fair value of land and buildings was based on recent market transactions for similar land and buildings in the area taking into account zoning and restrictions on use.

The fair value of the Other – books and artefacts asset category was determined as follows:

- general collections, rare books and journals and archival material - market approach, which represented a price a knowledgeable purchaser could reasonably expect to pay for the items
- fine art collections and artefacts – market approach, which was mainly determined by overseas markets and the prevailing exchange rate on the inspection date.

The Board's land assets, comprising Crown land dedicated to the Board or held by the Minister for Environment and Water on behalf of the Board, were revalued as at 1 July 2019. The independent revaluation was undertaken by Certified Practising Valuers, Mr Mark Kay, Chief Valuer, Office of the Valuer General and Mr Greg McCloud, Senior Valuer Office of the Valuer General.

A market based method was used when by comparing property data to that of similar sales with consideration of restrictions on use and/ or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

10.2. Financial instruments

Financial risk management

Risk management is managed by the Board's corporate services section. Board risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Credit risk

The Board has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

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10.2. Financial instruments (continued)

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Board traditionally uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances, however this was not applied for the 2020-21 reporting period.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Board considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Board's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Board is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

Liquidity risk

The Board is funded principally by revenue from fees and charges (refer to note 2.1). The Board works with the DTF to determine the cash flows associated with its government-approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 for further information.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

Classification of Financial Instruments

The Board measures all financial instruments at amortised cost.

Maturity analysis of financial instruments

| | Note | 2021 Carrying amount \$'000 | 2020 Carrying amount \$'000 |
|--|------|-----------------------------------|-----------------------------------|
| Financial assets | | | |
| Cash and cash equivalents | | | |
| Cash and cash equivalents | 6.1 | 4 780 | 3 959 |
| Financial assets at amortised cost | | | |
| Receivables | 6.2 | 813 | 58 |
| Total financial assets | | 5 593 | 4 017 |
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| Payables | 7.1 | 106 | 24 |
| Total financial liabilities | | 106 | 24 |