

Art Gallery Board

Financial report
for the year ended 30
June 2021

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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 Chair Art Gallery Board

Opinion

I have audited the financial report of the Art Gallery 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 Art Gallery 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 Chair, the Director and the Deputy Director.

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 Art Gallery 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 and the members of the Art Gallery 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 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 that 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 members of the Art Gallery 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 20(3) of the *Art Gallery Act 1939*, I have audited the financial report of the Art Gallery 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.

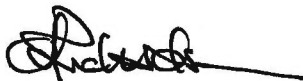
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Art Gallery 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 Director and the members of the Art Gallery Board 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

23 September 2021

Art Gallery Board

Financial Statements

For the year ended 30 June 2021

Art Gallery Board
Certification of the Financial Statements
for the year ended 30 June 2021

We certify that the:

- financial statements of the Art Gallery Board:
 - are in accordance with the accounts and records of the Art Gallery 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 Art Gallery Board at the end of financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the Art Gallery Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jason Karas
Chair
23 September 2021



Mark Horton
Deputy Director
23 September 2021



Rhana Devenport
Director
23 September 2021

Art Gallery Board
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Recurrent operating grant	2.1	12 489	13 335
Bequests and donations	2.2	3 571	3 077
Donations of heritage assets		1 519	4 078
Fees and charges	2.3	856	315
Commonwealth Government grants	2.4	223	586
Other grants	2.5	930	1 808
Investment income	2.6	2 309	2 602
Rent and facilities hire		87	157
Resources received free of charge	2.8	1 444	1 146
Sale of goods	2.9	1 153	662
Sponsorships	2.10	379	476
Other income	2.11	152	71
Total income		25 112	28 313
Expenses			
Staff benefits expenses	3.3	6 687	7 167
Supplies and services	4.1	7 631	9 843
Accommodation and facilities	4.2	3 189	2 739
Depreciation and amortisation	5.1	1 250	1 292
Loss on market value movement of investments		-	68
Total expenses		18 757	21 109
Net result		6 355	7 204
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in property, plant and equipment asset revaluation surplus		-	(5 966)
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	2.7	2 227	(323)
Changes in fair value of investments classified as fair value through other comprehensive income	6.3	7 264	(3 629)
Total other comprehensive income		9 491	(9 918)
Total comprehensive result		15 846	(2 714)

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

Art Gallery Board
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	9 969	6 101
Receivables	6.2	936	924
Inventories		370	314
Total current assets		11 275	7 339
Non-current assets			
Receivables	6.2	-	1
Property, plant and equipment	5.1	31 502	32 605
Intangible assets	5.3	178	178
Heritage collections	5.4	785 938	781 896
Investments	6.3	52 471	43 238
Total non-current assets		870 089	857 918
Total assets		881 364	865 257
Current liabilities			
Payables	7.1	1 108	662
Staff benefits	3.4	910	967
Provisions	7.2	15	12
Financial liabilities	7.3	8	14
Total current liabilities		2 041	1 655
Non-current liabilities			
Payables	7.1	115	124
Staff benefits	3.4	1 217	1 344
Provisions	7.2	36	25
Financial liabilities	7.3	3	3
Total non-current liabilities		1 371	1 496
Total liabilities		3 412	3 151
Net assets		877 952	862 106
Equity			
Asset revaluation surplus	8.1	346 110	346 110
Investment reserve	8.1	6 805	(459)
Retained earnings		525 037	516 455
Total equity		877 952	862 106

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

Art Gallery Board
Statement of Changes in Equity
for the year ended 30 June 2021

	Asset revaluation surplus \$'000	Investment reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019	352 076	3 170	509 574	864 820
Net result for 2019-20	-	-	7 204	7 204
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	(323)	-	(323)
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings		323	(323)	-
Fair value movement of investments classified as fair value through other comprehensive income	-	(3 629)	-	(3 629)
Loss on revaluation of PPE during 2019-20	(5 966)	-	-	(5 966)
Total comprehensive result for 2019-20	(5 966)	(3 629)	6 881	(2 714)
Balance at 30 June 2020	346 110	(459)	516 455	862 106
Net result for 2020-21	-	-	6 355	6 355
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	2 227	-	2 227
Transfer of revaluation gain on sale of investments from investment reserve to retained earnings	-	(2 227)	2 227	-
Fair value movement of investments classified as fair value through other comprehensive income	-	7 264	-	7 264
Total comprehensive result for 2020-21	-	7 264	8 582	15 846
Balance at 30 June 2021	346 110	6 805	525 037	877 952

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

Art Gallery Board
Statement of Cash Flows
for the year ended 30 June 2021

	2021	2020
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Recurrent operating grant	12 489	13 335
Sale of goods	1 163	637
Fees and charges	856	315
Bequests and donations of cash	3 571	3 077
Commonwealth Government grants	223	586
Other grants	930	1 759
Sponsorships	160	240
Investment receipts	2 237	3 309
Rent and facilities hire	121	157
Other receipts	146	(450)
Cash generated from operations	21 896	22 965
Cash outflows		
Staff benefits payments	(6 871)	(6 939)
Payments for supplies and services	(5 806)	(10 141)
Payments for accommodation and facilities	(3 189)	(2 739)
Cash used in operations	(15 866)	(19 819)
Net cash provided by / (used in) operating activities	6 030	3 146
Cash flows from investing activities		
Cash inflows		
Proceeds from sales/maturities of investments	16 196	2 686
Cash generated from investing activities	16 196	2 686
Cash outflows		
Purchase of heritage collections	(2 523)	(4 212)
Purchase of investments	(15 822)	(3 013)
Purchase of property, plant and equipment	-	(26)
Cash used in investing activities	(18 345)	(7 251)
Net cash provided by / (used in) investing activities	(2 149)	(4 565)
Cash flows from financing activities		
Cash outflows		
Repayment of principal portion of lease liabilities	(13)	(18)
Cash used in financing activities	(13)	(18)
Net cash provided by / (used in) financing activities	(13)	(18)
Net increase / (decrease) in cash and cash equivalents	3 868	(1 437)
Cash and cash equivalents at the beginning of the reporting period	6 101	7 538
Cash and cash equivalents at the end of the reporting period	9 969	6 101

6.1

The accompanying notes form part of these financial statements.

Art Gallery Board

Notes to and forming part of the financial statements

For the year ended 30 June 2021

1. About the Art Gallery Board

The Art Gallery Board (the Board) is a not-for-profit statutory authority of the State of South Australia, established pursuant to section 4 of the *Art Gallery Act 1939* (the Act). The Board is charged with the management of the Art Gallery of South Australia (AGSA) under the Act.

The financial statements include all controlled activities of the AGSA including the Art Gallery Foundation.

1.1 Basis of preparation

These 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.

The financial statements have been 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.

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.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST excluded.

The net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position the AGSA is a member of a GST group, of which Arts South Australia, a division of the Department of the Premier and Cabinet (DPC), is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.2 Objectives and Programs

The objectives of the AGSA are to:

- collect heritage and contemporary works of art of aesthetic excellence and historical or regional significance
- ensure the preservation and conservation of the Gallery's collections
- display the collections and to program temporary exhibitions
- research and evaluate the collections and to make the collections and documentation accessible to others for the purposes of research and as a basis for teaching and communications
- document the collections within a central cataloguing system
- provide interpretative information about collection displays and temporary exhibitions and other public programs
- promote the Gallery's collections and temporary exhibitions
- ensure that the Gallery's operations, resources and commercial programs are managed efficiently, responsibly and profitably
- advise the South Australian Government on the allocation of South Australian resources to works of art, art collections, art museums and art associations.

1.3 Impact of COVID-19 pandemic on the AGSA

The COVID-19 pandemic has impacted on the operations of the AGSA. The key impacts in 2020-21 were:

- Ongoing and varying capacity restrictions surrounding visitation to the Gallery
- Forced closure of the Gallery during lockdown periods
- Increased cleaning expenses.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2. Income

2.1. Recurrent operating grant

	2021	2020
	\$'000	\$'000
Recurrent operating grant	12 489	13 335
Total recurrent operating grant	12 489	13 335

The AGSA receives an annual operating grant, and funding for the purposes of holding exhibitions, from the Department of the Premier and Cabinet. This is recognised as revenue on receipt.

2.2. Bequests and donations of cash and investments

	2021	2020
	\$'000	\$'000
Bequests	2 012	221
Donations	1 559	2 856
Total bequests and donations of cash and investments	3 571	3 077

Bequests and donations can only be used in accordance with the terms and conditions attributable. Therefore, depending on the terms and conditions, this income is not available for the operating activities of the AGSA.

2.3. Fees and charges

	2021	2020
	\$'000	\$'000
Fees for services	197	283
Admissions to temporary exhibitions	659	32
Total fees and charges	856	315

The AGSA recognises revenue from:

- Admission to temporary exhibitions: General entry to the art gallery is free however charges do apply for some exhibitions. Revenue from entry is recognised at a point in time when the performance obligation is discharged, which is once entry is granted.
- Fees for services include image handling fees, usage fees for film/tv/internet/publication, supervision and research fees. Revenue from these services is recognised on a time and material basis as services are provided.

2.4. Commonwealth Government grants

	2021	2020
	\$'000	\$'000
Commonwealth Government	223	586
Total commonwealth government grants	223	586

Commonwealth Government grants are recognised as income on receipt. Obligations for these grants are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the AGSA. The Commonwealth has provided funding to the State for the Adelaide Biennial of Australian Art.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.5. Other grants

	2021	2020
	\$'000	\$'000
External grants	557	1 416
State Government grants	373	392
Total other grants	930	1 808

State Government grants are recognised as income on receipt. Other external grants are recognised when the performance obligations are satisfied. Where there are no sufficiently specific performance obligations linked to the grant, the income is recognised on receipt.

2.6. Investment income

	2021	2020
	\$'000	\$'000
Dividends	1 536	1 795
Dividend imputation credits	556	685
Interest income	101	122
Gain on market value movement of investments	116	-
Total investment income	2 309	2 602

The majority of the investment income is derived from investments acquired through bequests and donations which may have specific terms and conditions attached. Therefore, depending on the terms and conditions, the investment income is not available for the operating activities of the AGSA.

2.7. Net gain / (loss) from the disposal of non-current assets

	2021	2020
	\$'000	\$'000
Investments		
Proceeds from disposal	16 196	2 695
Less value on sale of investments classified as fair value through other comprehensive income	(13 969)	(3 018)
Net gain / (loss) from the disposal of investments	2 227	(323)
Total assets		
Total Proceeds from deaccession / disposal	16 196	2 695
Less total carrying amount assets deaccessioned / disposed	(13 969)	(3 018)
Total net gain / (loss) from the deaccession / disposal of non-current assets	2 227	(323)

The net gain/ (loss) from the disposal of investments relates to equity instruments which are designated at fair value through other comprehensive income. On disposal of these equity instruments the gain / (loss) is recognised through other comprehensive income in the investment reserve.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.8. Resources received free of charge

	2021	2020
	\$'000	\$'000
Conservation services	1 075	967
Centralised IT and Telecommunication services by ICT and Digital Government (previously known as StateNet)	77	-
Services received free of charge - Shared Services SA	152	179
Donated property, plant and equipment	140	-
Total resources received free of charge	1 444	1 146

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.

Artlab Australia, a division of the Department of the Premier and Cabinet, receives SA Government appropriation to perform conservation services on the AGSA's heritage collections at no charge. A corresponding amount has been included as conservation work expenditure in note 4.1 supplies and services.

The AGSA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging.

Donated property, plant and equipment includes a solar battery storage system installed at AGSA and donated from the Department for Energy and Mining.

2.9. Sale of goods

	2021	2020
	\$'000	\$'000
Sale of goods	1 153	662
Net revenues from sale of goods	1 153	662

Revenue from the sale of goods related to store sales e.g. merchandise, cards, books, is recognised when the item is provided/delivered to the customer. Refunds would only be provided for faulty goods. Based on experience, no material refunds are expected to occur and therefore no related provision is made for any sale of goods.

2.10. Sponsorships

	2021	2020
	\$'000	\$'000
Cash sponsorships	160	240
In-kind sponsorships	219	236
Total sponsorships	379	476

Cash sponsorships are recognised on receipt and in-kind sponsorships are recognised in the period in which the services are provided.

2.11. Other income

	2021	2020
	\$'000	\$'000
Other receipts	152	53
Fundraising	-	18
Total other income	152	71

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3. Board, committees and staff

3.1. Key management personnel

Key management personnel of the AGSA include the Premier of the State of South Australia, as responsible Minister for the Arts, the Chair and eight board members and the Director, Deputy Director and Assistant Director of the Art Gallery of South Australia, who have responsibility for the strategic direction and management of the AGSA.

Total compensation for the key management personnel was \$610 000 in 2020-21 and \$610 000 in 2019-20. This amount excludes salaries and other benefits the Premier receives. The Premier'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 (via the Department of Treasury and Finance (DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

There were no transactions to disclose for key management personnel and related parties during the reporting period.

3.2. Board and committee members

Members during the 2021 financial year were:

Art Gallery Board

JD Karas (Chair)
TA Whiting (Chair) (expired 20 August 2020)
S Armitage
JD Fanning
CH Kirkwood (expired 30 September 2020)
JE McGill (reappointed 12 December 2020)
JN Phillips (expired 31 December 2020)
JE Yuile (reappointed 17 September 2020)

Board and committee remuneration

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

	2021	2020
\$0 - \$19 999	8	10
Total number of members	8	10

The total remuneration received or receivable by members was \$32 000 (\$42 000). Remuneration of members reflects all costs of performing board/committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

In accordance with DPC No.016, government employees did not receive any remuneration for board and committee duties during the reporting period. Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.3. Staff benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	5 266	5 328
Annual leave	470	501
Employment on-costs - superannuation	561	582
Payroll tax	310	321
Long service leave	(78)	99
Other staff related expenses	40	93
Skills and experience retention leave	23	28
Workers compensation expenses	66	65
Board fees	29	39
Targeted voluntary separation payments	-	111
Total staff benefits expenses	6 687	7 167

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the AGSA's contributions to superannuation plans in respect of current services of current staff. DTF centrally recognises the superannuation liability in the whole of government financial statements.

Staff remuneration

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

	2021	2020
	No	No
\$154 001 to \$174 000	-	1
\$274 001 to \$294 000	1	1
Total	1	2

The total remuneration received or receivable by those staff for the year was \$288 000 (\$443 000).

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Targeted voluntary separation packages (TVSPs)

The number of staff who received a TVSP during the reporting period was nil (1).

	2021	2020
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	-	111
Leave paid to separated employees	-	35
	-	146
Recovery from the Department of Treasury and Finance	-	(111)
Net cost to the Gallery	-	35

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.4. Staff benefits liability

	2021	2020
	\$'000	\$'000
Current		
Annual leave	588	639
Long service leave	84	127
Skills and experience retention leave	26	35
Accrued salaries and wages	212	166
Total current staff benefits	910	967
Non-current		
Long service leave	1 217	1 344
Total non-current staff benefits	1 217	1 344
Total staff benefits	2 127	2 311

Staff benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value and short-term staff benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 10.1.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4. Expenses

4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Marketing and promotion	1 449	1 733
Administration expenses	523	803
Conservation work	1 176	1 040
Fees - exhibitions and publications	784	798
Contractors	678	999
Freight, courier, postage	463	565
Insurance & risk management	415	420
Minor equipment purchases and leasing	375	586
Information technology and communication charges	353	375
Cost of goods sold	305	237
Materials	235	311
Business services charge	229	175
Maintenance	147	140
Storage	98	92
Preservation activities	95	52
Travel and accommodation	92	1 016
Catering	59	201
Audit fees	50	52
Motor vehicle expenses	12	45
Consultants	5	21
Inventory written-off	-	20
Foreign currency (gains)/losses	-	5
Doubtful debt	(1)	(3)
Other	89	160
Total supplies and services	7 631	9 843

Consultants

The number of consultancies and 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
Below \$10 000	2	5	1	8
\$10 000 or above	-	-	1	13
Total	2	5	2	21

4.2. Accommodation and facilities

	2021	2020
	\$'000	\$'000
Security	1 326	1 359
Facilities	893	540
Electricity and gas	590	656
Accommodation	380	184
Total accommodation and facilities	3 189	2 739

Art Gallery Board
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

Reconciliation 2020-21

	Land	Buildings and improvements	Plant and equipment	Computer equipment	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7 440	24 947	193	8	17	32 605
Additions	-	-	140	-	16	156
Depreciation and amortisation	-	(1 178)	(56)	(3)	(13)	(1 250)
Disposals	-	-	-	-	(8)	(8)
Other	-	-	-	-	(1)	(1)
Carrying amount at the end of the period	7 440	23 769	277	5	11	31 502
Gross carrying amount						
Gross carrying amount	7 440	65 445	944	13	20	73 862
Accumulated depreciation	-	(41 676)	(667)	(8)	(9)	(42 360)
Carrying amount at the end of the period	7 440	23 769	277	5	11	31 502

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Details about the AGSA's approach to fair value is set out in note 10.2.

Review of accounting estimates

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful 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.

Useful Life

Depreciation and amortisation are 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)
Buildings and improvements	20 to 100
Plant and equipment	3 to 20
Right-of-use plant and equipment	Lease term
Intangibles	5

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.2. Leased Vehicles

Right-of-use assets leased by the AGSA as lessee are measured at cost and there were no indications of impairment. Additions to right-of-use assets in 2020-21 were \$16 000 (\$2 000).

The AGSA has a limited number of leases:

- 3 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. The motor vehicle lease terms range from 12 months to 22 months and no variable lease payments are provided for in the lease agreements.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The AGSA's maturity analysis of its lease liabilities is disclosed in note 10.3. Cash outflows related to leases are disclosed in note 8.2.

5.3. Intangible assets

Reconciliation 2020-21

	Computer software	Work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	178	178
Carrying amount at the end of the period	-	178	178
Gross carrying amount			
Gross carrying amount	40	178	218
Accumulated amortisation	(40)	-	(40)
Carrying amount at the end of the period	-	178	178

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.4. Heritage collections

	2021			2020		
	At	At cost	Total	At	At cost	Total
	valuation			valuation		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australian paintings and sculptures	278 154	16 710	294 864	277 954	15 250	293 204
Australian and European decorative arts	42 601	1 855	44 456	42 527	1 691	44 218
Asian art	28 309	3 448	31 757	28 052	3 097	31 149
European paintings and sculptures	339 455	2 569	342 024	339 450	2 106	341 556
Prints, drawings and photographs	54 125	4 478	58 603	53 148	4 409	57 557
Numismatics	10 450	-	10 450	10 450	-	10 450
Philatelic material	791	-	791	791	-	791
Library	2 898	91	2 989	2 898	73	2 971
Archival Collection	4	-	4	-	-	-
Total heritage collections	756 787	29 151	785 938	755 270	26 626	781 896

Reconciliation of carrying amounts of heritage collections

2021	Opening	Additions	Closing
	balance		Balance
	\$'000	\$'000	\$'000
Australian paintings and sculptures	293 204	1 660	294 864
Australian and European decorative arts	44 218	238	44 456
Asian art	31 149	609	31 758
European paintings and sculptures	341 556	468	342 024
Prints, drawings and photographs	57 557	1 045	58 602
Numismatics	10 450	-	10 450
Philatelic material	791	-	791
Library	2 971	18	2 989
Archival collection	-	4	4
Total heritage collections	781 896	4 042	785 938

The heritage collections are large and diverse. They include many items for which valuations are complex, given considerations of market value and their uniqueness. The heritage collections are independently valued every six years. The collections were valued as at 30 June 2016 by RHAS, an operating division of Aon Risk Services.

Heritage collections are kept under special conditions to reduce physical deterioration, and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.4. Heritage collections (continued)

RHAS was responsible for the selection of the specialist valuers as listed below.

Collection	Specialist valuer
Australian paintings and sculptures	Helen Miller
Australian, European and international decorative arts	Helen Miller
Asian art	Helen Miller
European paintings and sculptures	Helen Miller
Australian prints and drawings	Helen Miller
European prints and drawings	Helen Miller
Australian and international photographs	Helen Miller
Noye collection of photographic material	Helen Miller
Library collection	Peter Tinslay
Numismatics	Jim Noble
Krichauff and Murray stamp collection	John Pearson

Due to the size and nature of the art collection all high value assets (greater than \$350,000) were valued individually with the remainder of the art collection valued by establishing an average value through the random sampling of items in each collection. Two high valued items in the numismatic collection were valued individually. All other items were valued as a collection. The library collection and the Noye collection of photographic material were both valued as collections. Items in the philatelic collection were valued individually.

All valuers have experience in the category of assets being valued. The valuation was prepared on the basis of replacement value and fair value. The valuation was carried out in accordance with the International Valuation Standards Framework and the relevant Australian Accounting Standards.

Some of the heritage items valued are unique by virtue of their history and could not be replaced with similar items. In these instances, the valuers deduced values based on similar but not directly comparable items.

In instances where there were sufficient observable transactions of similar assets to the subject asset (generally in second-hand markets), the market approach has been utilised to determine fair value. Inputs to the fair value measurement are considered level 2 in the fair value hierarchy as they have been observed from the market and the valuer has made relatively minor adjustments for differences in asset characteristics.

Where possible, the valuations were based on recent market transactions for similar cultural and heritage assets and may include adjustment for factors specific to each asset including size, rarity, quality, condition, historical significance and associated restrictions.

Where the frequency of available market transactions has not permitted the use of observable inputs, the valuers have used significant professional judgement in determining the fair value measurements. These assets are therefore considered to be in level 3 of the fair value hierarchy.

Fair value measurement - non-financial assets

In determining fair value, the AGSA has taken into account the characteristic of the asset (for example, condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The AGSA's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the AGSA did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

6. Financial assets

6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with banks	6 893	5 141
Deposits with the Treasurer	3 071	955
Cash on hand	5	5
Total cash and cash equivalents	9 969	6 101

Deposits with the Treasurer

Deposits with the Treasurer are a combination of funds held in the "Art Gallery Board Account", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987* (PFAA), and funds held in the Arts South Australia Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the PFAA.

Deposits with banks

Deposits with Macquarie Bank comprises cash received from bequests and donations which can only be used in accordance with the terms and conditions attributable. Other deposits with the Bank of South Australia (Bank SA) are funds held in term deposit facilities. Depending on the terms and conditions, the cash is not available for the operating activities of the Board.

Interest rate risk

Interest is calculated based on the average daily balances of the interest-bearing funds. The interest-bearing funds of the Board are held in the section 21 interest bearing account titled the "Art Gallery Board Account" and the Macquarie and Bank SA accounts.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

6.2. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From government entities	73	100
From non-government entities	42	53
Less impairment loss on receivables	(1)	(2)
Total trade receivables	<u>114</u>	<u>151</u>
Statutory receivables		
GST input tax recoverable	78	-
Total statutory receivables	<u>78</u>	<u>-</u>
Prepayments	19	4
Accrued income	725	769
Total current receivables	<u>936</u>	<u>924</u>
Non-current		
Statutory receivables		
Workers compensation recoveries	-	1
Total non-current receivables	<u>-</u>	<u>1</u>
Total receivables	<u>936</u>	<u>925</u>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. 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, prepayments and accrued income are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	2	5
Increase/(decrease) in allowance recognised in profit or loss	(1)	(3)
Carrying amount at the end of the period	<u>1</u>	<u>2</u>

Impairment losses relate to contracts with customers external to SA Government.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

6.3. Investments

	2021	2020
	\$'000	\$'000
Investments classified as fair value through other comprehensive income		
Listed equity instruments designated at fair value through other comprehensive income	46 131	41 522
Investments classified as fair value through profit and loss		
Listed debt instruments mandatorily measured at fair value through profit and loss	6 340	1 716
Total non-current investments	<u>52 471</u>	<u>43 238</u>
Total investments	<u>52 471</u>	<u>43 238</u>

Equity instruments are designated at fair value through other comprehensive income (FV through OCI) with all changes in fair value being taken to the investment reserve. On disposal of these equity investments, any related balance within the investment reserve is reclassified to retained earnings. The debt instruments are designated at fair value through profit and loss (FV through P&L) with all changes in fair value going through profit or loss. On disposal of these debt instruments, any gains or losses are recognised in profit and loss.

Dividends arising from all investments are recognised in the statement of comprehensive income.

The majority of investments are acquired through bequests and donations which may have specific terms and conditions attached. Therefore, depending on the terms and conditions, the investments are not available for the operating activities of the AGSA.

Investment reconciliation

	2021	2020
	\$'000	\$'000
Shares and other direct investments in companies		
Carrying amount at the beginning of period	43 238	46 966
Additions at cost	15 822	3 013
Disposals at fair value	(13 969)	(3 018)
Investments classified as FV through OCI	7 264	(3 629)
Investments classified as FV through P&L	116	(94)
Total non-current investments	<u>52 471</u>	<u>43 238</u>
Total investments	<u>52 471</u>	<u>43 238</u>

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

7. Liabilities

7.1. Payables

	2021 \$'000	2020 \$'000
Current		
Trade payables	974	522
Statutory payables		
Employment on-costs	134	140
Total current payables	1 108	662
Non-current		
Statutory payables		
Employment on-costs	115	124
Total non-current payables	115	124
Total payables	1 223	786

Payables are measured at nominal amounts.

Payables and accruals are raised for all amounts owing but unpaid. 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.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective staff benefits that they relate to is discharged.

The AGSA makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained the same at 42%, and the average factor for the calculation of employer superannuation contribution on-costs has increased to 10.1% (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of these changes in the current financial year is a decrease in the employee benefits expense of \$4 000 and the employment on cost liability of \$4 000. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

7.2. Provisions

All provisions relate to workers compensation. The current provision is \$15 000 (2020: \$12 000) and the non-current provision is \$36 000 (2020: \$25 000).

	2021 \$'000	2020 \$'000
<i>Movement in provisions</i>		
Carrying amount at the beginning of the period	37	33
Additional provisions recognised	14	4
Carrying amount at the end of the period	51	37

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The liability was calculated to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

The AGSA is responsible for the payment of workers compensation claims.

7.3. Lease liabilities

	2021 \$'000	2020 \$'000
Current		
Lease liabilities	8	14
Total current financial liabilities	8	14
Non-current		
Lease liabilities	3	3
Total non-current financial liabilities	3	3
Total financial liabilities	11	17

Lease liabilities have been measured via discounting lease payments using the interest rate implicit in the lease (2.14%).

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

8. Other disclosures

8.1. Equity

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Investment reserve

The investment reserve records all changes in fair value of investments classified as fair value through other comprehensive income.

8.2. Cash flow

The total cash outflows for leases in 2020-21 was \$13 000 (\$18 000) which related to the repayment of leases.

9. Outlook

9.1. Unrecognised commitments

The AGSA's expenditure commitments are for agreements for:

- Security and cleaning
- Netley storage complex
- Portico refurbishment.

Contingent rental provisions within the security and cleaning contracts requires the minimum contract payments to be increased by variable operating costs and wage rises. Options exist to renew the contracts for another 12 months.

Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	1 540	1 651
Later than one year but not longer than five years	1 127	2 841
Total expenditure commitments	2 667	4 492

Commitments include operating and outsourcing commitments arising from contractual sources and are disclosed at their nominal value.

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 AGSA has been named as beneficiary in a number of testamentary bequests. By their nature it is not possible to accurately estimate the amount and timing of these bequests. Amounts paid to the AGSA as a result of these bequests will be recognised as revenue when revenue recognition criteria are met.

The AGSA is not aware of any contingent liabilities as at 30 June 2021.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10. Measurement and risk

10.1. Long service leave liability – measurement

AASB 119 *Employee Benefits (AASB 119)* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on staff data over SA Government entities.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has changed from 0.75% (2020) to 1.25% (2021).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$143 000 and employee expense of \$143 000.

The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the DTF kept the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as the AGSA does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service

10.2. 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 (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right of use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

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

Revaluation is undertaken on a regular cycle as detailed below. 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.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.2. Fair Value (continued)

Land and buildings

An independent valuation of land and buildings owned by the AGSA was performed as at 30 June 2020 by a Certified Practising Valuer from Liquid Pacific Holdings Pty. Ltd.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides / internal records such as recent tender documents, construction invoices etc. and the estimated useful life due to age and condition of the building.

The fair value of land and buildings may be impacted by market changes due to the ongoing impact of COVID-19 however there was no market evidence to support the extent of any impact available at the time of preparing these financial statements.

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life of no less than three years have not been revalued in accordance with APS 116.D. The carrying value of these items is deemed to approximate fair value.

Heritage assets

These assets are classified in level 3 as there is no active market. An independent valuation of heritage assets was performed in June 2016 by a Certified Practising Valuer from RHAS, an operating division of Aon Risk Services as at 30 June 2016. Fair value was determined by estimating the current replacement cost based on the limited market information available for similar heritage assets and reproduction materials.

10.3. Financial instruments

Financial risk management

Risk management is managed by the AGSA's Audit Committee and AGSA. 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 AGSA's exposure to liquidity risk and credit risk is low due to the nature of the financial instruments held. The AGSA's exposure to market risk is significant given the investments balance of \$52.47 million. The investments are subject to price movements relating to market volatility. The investment portfolio is managed by experienced professionals. The Board Funds Management Committee monitors the investment program on a regular basis.

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 AGSA uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

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 AGSA 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 AGSA's historical experience and informed credit assessment, including forward-looking information.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.3. Financial instruments (continued)

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the AGSA 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.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the AGSA's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the AGSA and a failure to make contractual payments for a period of greater than 90 days past due.

The AGSA considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

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.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.3. Financial instruments (continued)

Maturity analysis of financial instruments

The AGSA measures all financial instruments at amortised cost or fair value.

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2021 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	9 969	9 969	-
Fair value through profit and loss				
Receivables**	6.2	839	839	-
Listed equity instruments designated at fair value through other comprehensive income	6.3	46 131	-	46 131
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	6 340	-	6 340
Total financial assets		63 279	10 808	52 471
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7.1	919	919	-
Lease liabilities	7.3	11	8	3
Total financial liabilities		930	927	3

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	6 101	6 101	-
Fair value through profit and loss				
Receivables**	6.2	921	920	1
Listed equity instruments designated at fair value through other comprehensive income	6.3	41 522	-	41 522
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	1 716	-	1 716
Total financial assets		50 260	7 021	43 239
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7.1	474	474	-
Lease liabilities	7.3	17	17	-
Total financial liabilities		491	491	-

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.3. Financial instruments (continued)

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

**Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).