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## To the Chair Museum Board

### Opinion

I have audited the financial report of the Museum Board for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Museum Board as at 30 June 2022, 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair of the Museum Board, the Director and the Chief Financial Officer.

### 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 Museum 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 Museum 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 – Simplified Reporting Requirements, 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 Museum Board is 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 16(3) of the *South Australian Museum Act 1976*, I have audited the financial report of the Museum Board for the financial year ended 30 June 2022.

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 Museum 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 Museum 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.



Daniel O'Donohue

**Assistant Auditor-General (Financial Audit)**

20 October 2022

# **Museum Board**

## **Financial Statements**

For the year ended 30 June 2022



**Museum Board**  
**Certification of the financial statements**  
*for the year ended 30 June 2022*

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We certify that the:

- financial statements of the Museum Board:
  - are in accordance with the accounts and records of the Museum 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 Museum 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 Museum Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



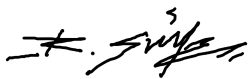
Kim Cheater  
**Chair**

18 October 2022



Brian Oldman  
**Director**

18 October 2022



Shakhlo Rasulova  
**Chief Financial Officer**

18 October 2022

**Museum Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Grant income	2.1	12 039	13 889
Donations and bequests		678	802
Sales of goods		1 261	1 116
Resources received free of charge	2.2	889	1 165
Fees and charges	2.3	298	200
Interest and investment income	2.4	80	82
Donations of heritage assets		1 871	2 274
Insurance recoveries		60	545
Other income	2.5	712	715
<b>Total income</b>		<b>17 888</b>	<b>20 788</b>
<b>Expenses</b>			
Staff benefits expenses	3.3	8 453	8 520
Supplies and services	4.1	4 967	3 904
Accommodation and facilities	4.2	3 437	3 059
Depreciation and amortisation	5.1, 5.2	1 779	1 846
Grants and subsidies		566	147
Net loss from the disposal of non-current assets	2.6	2	3
<b>Total expenses</b>		<b>19 204</b>	<b>17 479</b>
<b>Net result</b>		<b>(1 316)</b>	<b>3 309</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result:</b>			
Changes in heritage collections asset revaluation surplus		88 521	-
Gain / (loss) on sale of investments classified as fair value through other comprehensive income		(149)	23
Changes in fair value of investments classified as fair value through other comprehensive income		(305)	420
<b>Total other comprehensive income</b>		<b>88 067</b>	<b>443</b>
<b>Total comprehensive result</b>		<b>86 751</b>	<b>3 752</b>

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

**Museum Board**  
**Statement of Financial Position**  
*as at 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	3 948	8 526
Receivables	6.2	1 121	1 623
Inventories		168	148
<b>Total current assets</b>		<b>5 237</b>	<b>10 297</b>
<b>Non-current assets</b>			
Receivables	6.2	3	-
Property, plant and equipment	5.1	43 183	42 814
Intangible assets	5.3	7	92
Heritage collections	5.4	389 224	298 826
Investments	6.3	3 451	2 415
<b>Total non-current assets</b>		<b>435 868</b>	<b>344 147</b>
<b>Total assets</b>		<b>441 105</b>	<b>354 444</b>
<b>Current liabilities</b>			
Payables	7.1	2 312	2 078
Staff benefits	3.4	662	1 097
Provisions	7.2	48	14
Lease liabilities	7.3	3	11
<b>Total current liabilities</b>		<b>3 025</b>	<b>3 200</b>
<b>Non-current liabilities</b>			
Payables	7.1	127	127
Staff benefits	3.4	1 317	1 353
Provisions	7.2	158	34
Lease liabilities	7.3	-	3
<b>Total non-current liabilities</b>		<b>1 602</b>	<b>1 517</b>
<b>Total liabilities</b>		<b>4 627</b>	<b>4 717</b>
<b>Net assets</b>		<b>436 478</b>	<b>349 727</b>
<b>Equity</b>			
Asset revaluation surplus		295 132	206 611
Investment reserve		(233)	72
Retained earnings		141 579	143 044
<b>Total equity</b>		<b>436 478</b>	<b>349 727</b>

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



**Museum Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2022*

	Investment Reserve \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>	<b>(348)</b>	<b>206 611</b>	<b>139 712</b>	<b>345 975</b>
<b>Net result for 2020-21</b>	-	-	<b>3 309</b>	<b>3 309</b>
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	23	-	-	23
Transfer of revaluation gain on sale of investments from investment reserve to retained earnings	(23)	-	23	-
Fair value movement of investments classified as fair value through other comprehensive income	420	-	-	420
<b>Total comprehensive result for 2020-21</b>	<b>420</b>	<b>-</b>	<b>3 332</b>	<b>3 752</b>
<b>Balance at 30 June 2021</b>	<b>72</b>	<b>206 611</b>	<b>143 044</b>	<b>349 727</b>
<b>Net result for 2021-22</b>	-	-	<b>(1 316)</b>	<b>(1 316)</b>
Loss on sale of investments classified as fair value through other comprehensive income	(149)	-	-	(149)
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings	149	-	(149)	-
Fair value movement of investments classified as fair value through other comprehensive income	(305)	-	-	(305)
Gain on revaluation of heritage collections during 2021-22	-	88 521	-	88 521
<b>Total comprehensive result for 2021-22</b>	<b>(305)</b>	<b>88 521</b>	<b>(1 465)</b>	<b>86 751</b>
<b>Balance at 30 June 2022</b>	<b>(233)</b>	<b>295 132</b>	<b>141 579</b>	<b>436 478</b>

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

**Museum Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2022*

		2022 (Outflows) Inflows \$'000	2021 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash inflows</b>			
Grant income		12 403	14 145
Donations and bequests		678	802
Sales of goods		1 261	1 116
Fees and charges		298	200
Interest and investment income		123	131
Insurance recoveries		60	545
Other income		878	446
<b>Cash generated from operations</b>		<b>15 701</b>	<b>17 385</b>
<b>Cash outflows</b>			
Staff benefits payments		(8 790)	(8 586)
Payments for supplies and services		(3 838)	(2 843)
Accommodation and facilities		(3 437)	(3 059)
Grants and subsidies		(566)	(147)
GST paid to the ATO		(32)	(96)
<b>Cash used in operations</b>		<b>(16 663)</b>	<b>(14 731)</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>(962)</b>	<b>2 654</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from sale of investments		2 275	146
<b>Cash (used in) / generated from investing activities</b>		<b>2 275</b>	<b>146</b>
<b>Cash outflows</b>			
Purchase of heritage collections		(6)	(54)
Purchase of investments		(3 773)	(425)
Purchase of PPE and intangibles		(2 101)	(1 198)
<b>Cash used in investing activities</b>		<b>(5 880)</b>	<b>(1 677)</b>
<b>Net cash (used in) investing activities</b>		<b>(3 605)</b>	<b>(1 531)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of principal portion of lease liabilities		(11)	(17)
<b>Cash used in financing activities</b>		<b>(11)</b>	<b>(17)</b>
<b>Net cash (used in) financing activities</b>		<b>(11)</b>	<b>(17)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(4 578)</b>	<b>1 106</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>8 526</b>	<b>7 420</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>3 948</b>	<b>8 526</b>

The accompanying notes form part of these financial statements.

# **Museum Board**

## **Notes to and forming part of the financial statements**

### *for the year ended 30 June 2022*

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#### **1. About the Museum Board**

The Museum Board (the Board) is a not-for-profit statutory authority of the State of South Australia, established pursuant to section 3 of the *South Australian Museum Act 1976* (the Act). The Board is charged with the management of the South Australian Museum (the SA Museum) under the Act.

The consolidated financial statements have been prepared by combining the Museum Board, South Australian Museum Foundation Incorporated and the SA Museum Foundation Fund in accordance with AASB 10 *Consolidated Financial Statements*.

Refer to note 1.3 for disclosure of activities related to the consolidated entities.

The South Australian Museum Foundation Incorporated was created on 5 November 1999 and its purpose is to assist the Board to effectively preserve, develop and maintain, where appropriate, facilities and standards of the Museum.

The SA Museum Foundation Fund was created on 6 June 2020 and with the purpose of establishing public funding under Subdivision 30A of the Income Tax Assessment Act 1997 to assist the Board to conduct its activities.

Consistent accounting policies have been applied and all inter-entity transactions arising within the consolidated entity have been eliminated in full.

#### **1.1. Basis of preparation**

These financial statements are general purpose financial statements prepared in accordance 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 applying simplified disclosures.

These are the first financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There has been no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Board as a result of the change in the basis of preparation.

The financial statements have been prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). 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.

The Board is dependent on state government funding which makes up the majority of its income.

Significant accounting policies are set out throughout the notes.

The Board is not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Emergency Services Levy (ESL).

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 included.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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The net GST receivable from/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Board is a member of an approved 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. The GST receivable in these financial statements relates to the South Australian Museum Foundation Incorporated and the SA Museum Foundation Fund.

**1.2. Objectives and Programs**

The functions of the Board, as prescribed under the Act, are as follows:

- to undertake the care and management of the SA Museum
- to manage the premises of the Board
- to carry out, or promote, research into matters of scientific and historical interest
- to accumulate and care for objects and specimens of scientific or historical interest
- to accumulate and classify data in regard to any such matters
- to disseminate information of scientific or historical interest
- to advise the Minister on matters relating to scientific or historical research or collections
- to carry out any other functions assigned to the Board by this or any other Act or the Minister.

**1.3. Disclosure of activities of the consolidated entities**

The following table discloses the income, expenses, assets and liabilities of each of the consolidated entities.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

**Income and Expenses by entity**

	Museum Board		SA Museum Foundation Inc		SA Museum Foundation Fund		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>										
Grant income	12 039	13 889	-	-	-	-	-	-	12 039	13 889
Donations and bequests	442	238	10	6	668	803	(442)	(245)	678	802
Sales of goods	-	20	1 319	1 149	-	-	(58)	(53)	1 261	1 116
Resources received free of charge	889	1 165	-	-	-	-	-	-	889	1 165
Fees and charges	281	280	16	15	-	-	1	(95)	298	200
Interest and investment income	78	80	-	1	2	1	-	-	80	82
Donations of heritage assets	1 871	2 274	-	-	-	-	-	-	1 871	2 274
Insurance recoveries	60	545	-	-	-	-	-	-	60	545
Other income	699	412	96	415	15	-	(98)	(112)	712	715
<b>Total income</b>	<b>16 359</b>	<b>18 903</b>	<b>1 441</b>	<b>1 586</b>	<b>685</b>	<b>804</b>	<b>(597)</b>	<b>(505)</b>	<b>17 888</b>	<b>20 788</b>
<b>Expenses</b>										
Staff benefits expenses	7 664	7 691	923	882	-	-	(134)	(53)	8 453	8 520
Supplies and services	4 067	3 215	801	633	509	237	(410)	(181)	4 967	3 904
Accommodation and facilities	3 427	3 049	10	10	-	-	-	-	3 437	3 059
Depreciation and amortisation	1 777	1 846	2	-	-	-	-	-	1 779	1 846
Grants and subsidies	566	147	-	-	-	-	-	-	566	147
Net loss from the disposal of non-current assets	2	3	-	-	-	-	-	-	2	3
<b>Total expenses</b>	<b>17 503</b>	<b>15 951</b>	<b>1 736</b>	<b>1 525</b>	<b>509</b>	<b>237</b>	<b>(544)</b>	<b>(234)</b>	<b>19 204</b>	<b>17 479</b>
<b>Net result</b>	<b>(1 144)</b>	<b>2 952</b>	<b>(295)</b>	<b>61</b>	<b>176</b>	<b>567</b>	<b>(53)</b>	<b>(271)</b>	<b>(1 316)</b>	<b>3 309</b>

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

**Assets and liabilities by entity**

	Museum Board		SA Museum Foundation Inc		SA Museum Foundation Fund		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>										
Cash and cash equivalents	1 926	5 350	860	905	1 162	2 271	-	-	3 948	8 526
Receivables	539	1 044	806	857	(5)	(7)	(219)	(271)	1 121	1 623
Inventories	-	-	168	148	-	-	-	-	168	148
<b>Total current assets</b>	<b>2 465</b>	<b>6 394</b>	<b>1 834</b>	<b>1 910</b>	<b>1 157</b>	<b>2 264</b>	<b>(219)</b>	<b>(271)</b>	<b>5 237</b>	<b>10 297</b>
<b>Non-current assets</b>										
Receivables	3	-	-	-	-	-	-	-	3	-
Property, plant and equipment	43 167	42 814	16	-	-	-	-	-	43 183	42 814
Intangible assets	7	92	-	-	-	-	-	-	7	92
Heritage collections	389 224	298 826	-	-	-	-	-	-	389 224	298 826
Investments	2 200	2 415	-	-	1 251	-	-	-	3 451	2 415
<b>Total non-current assets</b>	<b>434 601</b>	<b>344 147</b>	<b>16</b>	<b>-</b>	<b>1 251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435 868</b>	<b>344 147</b>
<b>Current liabilities</b>										
Payables	722	924	1 336	1 113	115	41	139	-	2 312	2 078
Staff benefits	680	1 050	59	47	-	-	(77)	-	662	1 097
Provisions	48	14	-	-	-	-	-	-	48	14
Lease liabilities	3	11	-	-	-	-	-	-	3	11
<b>Total current liabilities</b>	<b>1 453</b>	<b>1 999</b>	<b>1 395</b>	<b>1 160</b>	<b>115</b>	<b>41</b>	<b>62</b>	<b>-</b>	<b>3 025</b>	<b>3 200</b>
<b>Non-current liabilities</b>										
Payables	127	127	-	-	-	-	-	-	127	127
Staff benefits	1 317	1 353	-	-	-	-	-	-	1 317	1 353
Provisions	158	34	-	-	-	-	-	-	158	34
Lease liabilities	-	3	-	-	-	-	-	-	-	3
<b>Total non-current liabilities</b>	<b>1 602</b>	<b>1 517</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 602</b>	<b>1 517</b>
<b>Net Assets</b>	<b>434 011</b>	<b>347 025</b>	<b>455</b>	<b>750</b>	<b>2 293</b>	<b>2 223</b>	<b>(281)</b>	<b>(271)</b>	<b>436 478</b>	<b>349 727</b>

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**1.4. Impact of COVID-19 pandemic on the Board**

The COVID-19 pandemic has impacted on the operations of the Board. The key impacts in 2021-22 were:

- Ongoing and varying capacity restrictions surrounding visitation to the Museum
- Forced closure of the Museum during lockdown periods
- Reduced visitation impacting on loss of revenue, particularly in donations and exhibition admissions, membership and program revenue
- Increased cleaning expenses.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**2. Income**

**2.1. Grant Income**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating grant	11 002	11 215
Commonwealth sourced grant	455	391
State Government grant	350	2 259
General grant	232	24
<b>Total revenues from grant income</b>	<b>12 039</b>	<b>13 889</b>

The Board receives an annual operating grant, based on the Memorandum of Administrative Arrangement, from the Department of the Premier and Cabinet. This is recognised as revenue on receipt.

Commonwealth source grants are recognised in accordance with AASB1058 as income on receipt. The Commonwealth Government has provided funding for the purposes of the Science Engagement Program (Inspiring South Australia National Science Week), Anthropology and Terrestrial Invertebrates research grants.

State Government grant funding includes contributions from the Department for Education and grants for maintenance.

General grants include funding for Species Endemism from BHP.

**2.2. Resources received free of charge**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Artlab conservation work	637	508
Services received free of charge - Shared Services SA	132	153
Centralised IT and Telecommunication services - DPC	64	62
Donated assets	56	442
<b>Total resources received free of charge</b>	<b>889</b>	<b>1 165</b>

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.

The Board receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, Information Technology and Telecommunication from the Department of the Premier and Cabinet free of charge.

Under an arrangement with Artlab Australia, a division of the Department of the Premier and Cabinet, Artlab Australia receives SA Government appropriation to perform conservation services on the Board's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount has been included as conservation work expenditure in note 4.1 supplies and services.

Donated assets in 2021-22 was a Safe Access Security System received free of charge from Department of the Premier and Cabinet. In 2020-21 the donated assets include a Science Centre lift and boiler received free of charge from Department for Energy and Mining (DEM).



**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**2.3. Fees and charges**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Admissions	177	105
Functions	-	52
Fees for Service	80	24
Other	41	19
<b>Total fees and charges</b>	<b>298</b>	<b>200</b>

The Board recognises revenue from:

- Admission for entry: General entry to the Museum is free however charges do apply for some exhibitions and events. 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 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. Interest and investment income**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment income	80	79
Loss on market value movement of investments	(6)	(3)
Interest	4	6
Profit on Sale of Options	2	-
<b>Total interest and investment income</b>	<b>80</b>	<b>82</b>

Interest revenue is recognised taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been established. The loss on market value movement of investments relates to debt instruments where the decrease in value has been recognised through profit or loss.

**2.5. Other income**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Competition entry fees	77	47
Lab consumable recharge	62	35
Exhibition hire	26	84
Commissions and royalties	1	-
Sponsorships	298	60
Other	248	489
<b>Total other income</b>	<b>712</b>	<b>715</b>

Other income is recognised on receipt.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**2.6. Net gain/ (loss) from disposal of non-current assets**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments</b>		
Proceeds from disposal	2 275	147
Less value on sale of investments classified as fair value through other comprehensive income	(2 424)	(124)
<b>Net gain (loss) from disposal of investments</b>	<b>(149)</b>	<b>23</b>
<b>Plant and equipment:</b>		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(2)	(3)
<b>Net gain (loss) from disposal of plant and equipment</b>	<b>(2)</b>	<b>(3)</b>

# Museum Board

## Notes to and forming part of the financial statements

### for the year ended 30 June 2022

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### 3. Board, committees and staff

#### 3.1. Key management personnel

Key management personnel of the Board during the year include the current Minister for Arts, the former Premier of the State of South Australia, as the then responsible Minister for Arts, the seven members of the Museum Board and the Leadership Team, including the Director of the South Australian Museum, all who have responsibility for the strategic direction and management of the Museum.

Total compensation for the Board's key management personnel was \$765 000 in 2021-22 and \$310 000 in 2020-21. This amount excludes salaries and other benefits the Minister for Arts receives. The Minister for Arts 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) under section 6 the *Parliamentary Remuneration Act 1990*.

#### Transactions with key management personnel and other related parties

There were no significant transactions between key management personnel and other related parties.

#### 3.2. Board and committee members

Members during the 2022 financial year were:

##### Museum Board

K Cheater (Chair)

AJ Duthie

SY Edwards

A Noble (expired 24 August 2021)

R Perkins (expired 24 August 2021)

E Ranieri\*

TA Whiting

Dr C Wilson

##### Aboriginal Partnership Committee

L Merrick (Chair) (appointed 28 March 2022)

Dr C Wilson (Chair) (to 28 March 2022)

FH Lampard OAM

V Wilson

D Rathman AM PSM (ex officio member)

M Koolmatrie (ex officio member)

\*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

#### Board remuneration

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

	2022	2021
\$0 - \$19 999	14	17
<b>Total number of members</b>	<b>14</b>	<b>17</b>

The total remuneration received or receivable by members was \$28 000 (2021: \$24 000). Remuneration of members reflects all costs of performing board and committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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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.

**3.3. Staff benefits expenses**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	6 354	6 546
Targeted voluntary separation packages	140	163
Long service leave	(31)	(45)
Annual leave	570	561
Skills and experience retention leave	27	37
Employment on-costs - superannuation	706	672
Employment on-costs - other	344	355
Board and committee fees	28	24
Salaries charged externally	115	152
Other staff related expenses	200	55
<b>Total staff benefits expenses</b>	<b>8 453</b>	<b>8 520</b>

**Employment on-costs – superannuation**

The superannuation employment on-cost charge represents the Board'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:

	<b>No.</b>	<b>No.</b>
\$157 001 to \$177 000	1	-
\$277 001 to \$297 000	-	1
\$297 001 to \$317 000	1	-
<b>Total</b>	<b>2</b>	<b>1</b>

The total remuneration received or receivable by these staff for the year was \$470 000 (2021: \$289 000).

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 any related fringe benefits tax.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**3.3 Staff benefits expenses (continued)**

**Targeted voluntary separation packages (TVSPs)**

The number of staff who received a TVSP during the reporting period was three (2021: two). 2022 TVSP's include separation resulting from the Public Sector Rejuvenation Scheme.

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted voluntary separation packages	140	163
Leave paid to separated employees	128	91
<b>Total voluntary separation packages</b>	<b>268</b>	<b>254</b>

**3.4. Staff benefits liability**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	462	526
Long service leave	140	321
Skills and experience retention leave	51	63
Accrued salaries and wages	9	187
<b>Total current staff benefits</b>	<b>662</b>	<b>1 097</b>
<b>Non-current</b>		
Long service leave	1 317	1 353
<b>Total non-current staff benefits</b>	<b>1 317</b>	<b>1 353</b>
<b>Total staff benefits</b>	<b>1 979</b>	<b>2 450</b>

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.

Salary inflation rate for annual leave, and skills, experience and retention leave liability changed to 1.5% (2%: 2021).

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.

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.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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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 1.25% (2021) to 3.5% (2022).

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 \$210 000 and employee expense of \$210 000.

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 did not change the salary inflation rate (2021: 2.5%) for long service leave liability.

As a result, there is no net financial effect resulting from changes in the salary inflation.

The portion of the long service leave to be taken within 12 months is classified as current. The remaining portion is classified as non-current.

#### 4. Expenses

##### 4.1. Supplies and services

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Exhibitions	228	229
Administration	306	260
Cost of goods sold	505	459
Information technology and communication charges	548	490
Contractors / contract staff	336	152
Marketing	441	231
Functions	44	34
Insurance and risk	344	317
Artlab conservation work	638	508
Maintenance	48	122
Business services charge	196	215
Research	193	179
Consultants	164	77
Minor equipment	73	58
Accommodation and travel	57	46
Collections	108	1
Audit fees *	63	65
OHS&W	23	33
Legal Fees	25	79
Motor vehicle expenses	26	21
Hire, rent and equipment	43	24
Other	558	304
<b>Total supplies and services</b>	<b>4 967</b>	<b>3 904</b>

\* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$47 000 (\$50 000) and audit fees payable to Bentley's relating to work performed for the audit of the SA Museum Foundation Incorporated and SA Museum Foundation Fund. No other services were provided by the Auditor-General's Department.

**Museum Board**  
**Notes to and forming part of the financial statements**  
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**4.2. Accommodation and facilities**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Facilities	1 555	1 216
Security	834	888
Electricity and gas	500	475
Accommodation	548	480
<b>Total accommodation and facilities</b>	<b>3 437</b>	<b>3 059</b>

Most of the Board's accommodation is provided by the Department for Infrastructure and Transport under Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in *AASB 16 Leases* and accordingly are expensed.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

**5. Non-financial assets**

**5.1. Property, plant and equipment**

**Reconciliation 2021-22**

	Land \$'000	Buildings & improvements \$'000	Work in progress \$'000	Plant and equipment \$'000	Computer equipment \$'000	ROU Vehicles \$'000	Total tangible assets \$'000
<b>Carrying amount at the beginning of the period</b>	11 700	26 918	1 468	2 694	20	14	<b>42 814</b>
Additions	-	-	2 052	49	-	-	<b>2 101</b>
Disposals	-	-	-	(29)	-	-	<b>(29)</b>
Accumulated depreciation on disposals	-	-	-	27	-	-	<b>27</b>
Depreciation and amortisation	-	(1 527)	-	(233)	(2)	(11)	<b>(1 773)</b>
Transfer to/(from) capital works in progress	-	-	(3,463)	3,463	-	-	<b>-</b>
Donated assets	-	56	-	-	-	-	<b>56</b>
Other	-	-	(13)	-	-	-	<b>(13)</b>
<b>Carrying amount at the end of the period</b>	<b>11 700</b>	<b>25 447</b>	<b>44</b>	<b>5 971</b>	<b>18</b>	<b>3</b>	<b>43 183</b>
<b>Gross carrying amount</b>							
Gross carrying amount	11 700	83 192	44	8 950	55	17	103 958
Accumulated depreciation	-	(57 745)	-	(2 979)	(37)	(14)	(60 775)
<b>Carrying amount at the end of the period</b>	<b>11 700</b>	<b>25 447</b>	<b>44</b>	<b>5 971</b>	<b>18</b>	<b>3</b>	<b>43 183</b>

Property, plant and equipment owned by the Board 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 and there were no indications of impairment. Details about the Board's approach to fair value are set out in note 10.1.

**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 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.



**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**5.1 Property, plant and equipment (continued)**

**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:

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings and improvements	15 to 100
<i>Plant and equipment</i>	
Exhibition	10
Other	3 to 25
Computer equipment	3 to 5
Right-of-use vehicles	3 to 5
Intangibles	5 to 10

Exhibitions with a life of less than one year are expensed.

**5.2. Leased assets**

Right-of-use assets leased by the Board as a lease are measured at cost and there was no indication of impairment.

The Board has a limited number of leases:

- 2 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- a concessionary (peppercorn) lease on a purpose-built facility located at SA Water's sewage treatment plant at Bolivar. It houses all the specialised equipment needed to handle skeletons of all sizes, including large whales. Without the supply of this lease at concessionary terms, the Board would incur costs for alternative property. Key aspects of the lease are nil lease payments and an automatic annual renewal of the lease on the anniversary date of the MoAA. Two years advance notice is required to terminate the lease.

The lease liabilities related to the right-of-use assets and cash outflows related to leases are disclosed in note 7.3. The Board's maturity analysis of its lease liabilities is disclosed in note 10.2.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**5.3. Intangible assets**

**Reconciliation 2021-22**

	<b>Computer software</b>	<b>WIP intangible assets</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2021</b>	13	79	92
Transfers out	-	(79)	( 79)
Amortisation	(6)	-	(6)
<b>Carrying amount at 30 June 2022</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Gross carrying amount</b>			
Gross carrying amount	121	-	121
Accumulated amortisation	(114)	-	(114)
<b>Carrying amount at the end of the period</b>	<b>7</b>	<b>-</b>	<b>7</b>

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.

The internally developed computer software relates to the K-Emu entomology software with remaining useful life of 1 year and 5 months.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

**5.4. Heritage collections**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Entomology	61 730	53 419
Australian Aboriginal ethnology	61 589	35 487
Marine invertebrates	39 409	30 347
Foreign ethnology	44 310	27 162
Mineralogy	30 160	21 737
Archives/artwork	21 263	18 463
Mammalogy	22 743	17 182
Australian helminthological collection	13 906	16 221
Palaeontology	16 817	15 022
Archaeology	19 043	14 434
Ornithology	10 683	9 339
Australian polar collection	11 450	8 982
Australian biological tissue bank	8 766	6 591
Arachnology	9 318	6 321
Malacology	5 258	5 258
Herpetology	4 289	4 305
Rare books	4 520	4 260
Ichthyology	3 456	3 461
Social/industrial history	251	587
Public program collection	263	248
<b>Total heritage collections</b>	<b>389 224</b>	<b>298 826</b>

**Reconciliation of carrying amounts of heritage collections**

	<b>Opening balance</b>	<b>Additions</b>	<b>Revaluation</b>	<b>Closing balance</b>
<b>2022</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Entomology	53 419	-	8 311	61,730
Australian Aboriginal ethnology	35 487	123	25 979	61,589
Marine invertebrates	30 347	81	8 981	39,409
Foreign ethnology	27 162	13	17 135	44,310
Mineralogy	21 737	1 422	7 001	30,160
Archives/artwork	18 463	-	2 800	21,263
Mammalogy	17 182	-	5 561	22,743
Australian helminthological collection	16 221	18	(2 333)	13,906
Palaeontology	15 022	149	1 646	16,817
Archaeology	14 434	-	4 609	19,043
Ornithology	9 339	47	1 297	10,683
Australian polar collection	8 982	-	2 468	11,450
Australian biological tissue bank	6 591	3	2 172	8,766
Arachnology	6 321	-	2 997	9,318
Malacology	5 258	-	-	5,258
Herpetology	4 305	5	(21)	4,289
Rare books	4 260	5	255	4,520
Ichthyology	3 461	11	(16)	3,456
Social/industrial history	587	-	(336)	251
Public Program Collection	248	-	15	263
<b>Carrying amount at the end of the period</b>	<b>298 826</b>	<b>1 877</b>	<b>88 521</b>	<b>389 224</b>

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**5.4. Heritage collections (continued)**

Heritage collections are kept under special conditions so that there is no 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.

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 Board's heritage collections, were revalued as at 30 June 2022 using the valuation methodology outlined below in accordance with fair value principles adopted under AASB 13 *Fair Value Measurement*.

The valuation was carried out in accordance with the International Valuation Standards Framework and the relevant Australian Accounting Standards. The valuers also took into account the relevant guidelines set out in the Australian Framework for the Valuation of Public Sector Collections for General Purpose Financial Reporting issued in November 2018 by the Council of Australasian Museum Directors.

These valuations were undertaken by Aon Risk Solutions.

The collections were broadly valued on the following basis:

<b>Collection</b>	<b>Method of valuation</b>
Heritage collections	Market approach
Natural history collections	Cost approach

Heritage collection status applies to those collections where an established market exists.

Natural history collections have been valued at fair value on the basis of the cost of fieldwork, preparation and documentation to replace the material in its present condition.

Heritage collections deemed to have market value are Australian Ethnology, Foreign Ethnology, Australian Polar Collection, Social/Industrial History Collection, Mineralogy, History of Science, Archives, Archives/Artworks, Rare Books and Public Programs.

Natural history collections valued at cost of recovery are the Australian Biological Tissue Bank, Marine Invertebrates/Malacology, Ichthyology, Paleontology, Arachnology, Entomology, Ornithology, Archaeology, Mammalogy, Herpetology and Helminthological collection.

Collections deemed to be culturally sensitive, including human remains or items which are secret and sacred to Aboriginal communities have not been included within the current valuation and are considered at zero valuation.

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	1 610	4 913
Cash on hand	2	2
Deposits with banks	2 336	3 611
<b>Total cash and cash equivalents</b>	<b>3 948</b>	<b>8 526</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

Deposits with the Treasurer are a combination of funds held in the "*Museum 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. This account is held with the Treasurer of South Australia pursuant to section 8 of the *PFAA*. There are stipulated restrictions on the use of the Zimmerman Bequest component of the cash funds available \$111 000 (2021: \$111 000).

**Deposits with banks**

Deposits with banks include cash held with the Australian and New Zealand Banking Group (ANZ) by the SA Museum Foundation Fund Incorporated and the SA Museum Foundation Fund. Cash is also held and with Macquarie Bank. There are restrictions in place for the cash accounts for the funds relating to Norman B Tindale, Mawson collection, Thyne Reid and High Noon \$156 000 (2021: \$265 000).

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**6.2. Receivables**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	-	364
From non-government entities	301	483
Less impairment loss on receivables	-	(1)
<b>Total trade receivables</b>	<u>301</u>	<u>846</u>
GST receivable	721	689
Accrued revenues	13	52
Prepayments	86	36
<b>Total current receivables</b>	<u>1 121</u>	<u>1 623</u>
<b>Non-current</b>		
From non-government entities	3	-
<b>Total non-current receivables</b>	<u>3</u>	<u>-</u>
<b>Total receivables</b>	<u>1 124</u>	<u>1 623</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 revenues 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**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	1	10
Increase/(decrease) in allowance recognised in profit or loss	(1)	(9)
<b>Carrying amount at the end of the period</b>	<u>-</u>	<u>1</u>

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

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

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**6.3. Investments**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments classified as fair value through other comprehensive income</b>		
Listed equity instruments designated at fair value through other comprehensive income	3 257	2 198
<b>Investments classified as fair value through profit and loss</b>		
Listed debt instruments mandatorily measured at fair value through profit and loss	194	217
<b>Total non-current investments</b>	<b>3 451</b>	<b>2 415</b>
<b>Total investments</b>	<b>3 451</b>	<b>2 415</b>

Equity instruments are designated at fair value through other comprehensive income 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 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 and distributions arising from all investments are recognised in the statement of comprehensive income.

Of the five investment accounts; Museum Board, Norman B Tindale, Memorial Mawson Collection Thyne Reid and High Noon - there are restrictions in place for Norman B Tindale Memorial, Mawson Collection, Thyne Reid and High Noon relating to funds totalling \$1.4 million (2021: \$1.5 million).

**Museum Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**7. Liabilities**

**7.1. Payables**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade Payables	2 179	1 921
<b>Statutory payables</b>		
Employment on-costs	133	157
<b>Total current payables</b>	<b>2 312</b>	<b>2 078</b>
<b>Non-Current</b>		
<b>Statutory payables</b>		
Employment on-costs	127	127
<b>Total non-current payables</b>	<b>127</b>	<b>127</b>
<b>Total payables</b>	<b>2 439</b>	<b>2 205</b>

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 Board 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 10.6% (10.1%). These rates are used in the employment on-cost calculation. The net financial effect of these changes in the current financial year is immaterial. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.



**Museum Board**  
**Notes to and forming part of the financial statements**  
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**7.2. Provisions**

All provisions relate to workers compensation.

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Movement in provisions</i></b>		
Carrying amount at the beginning of the period	48	37
Additional provision recognised	158	11
<b>Carrying amount at the end of the period</b>	<b>206</b>	<b>48</b>

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 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by average claim sizes and other economic and actuarial assumptions. The Board is responsible for the payment of workers compensation claims.

Measurement of the provision for worker's compensation as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in Return to Work Corporation of South Australia vs Summerfield (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the provision for workers compensation across government.

Legislation to reform the Return to Work Act 2014 was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the provision for workers compensation across government will be considered when measuring the provision as at 30 June 2023.

**7.3. Lease liabilities**

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

The total cash outflow for leases in 2021-22 was \$11 000 (2021: \$17 000) which related to the repayment of leases.

Right-of-use assets are disclosed in note 5.2.

**Museum Board**  
**Notes to and forming part of the financial statements**  
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**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.

**9. Outlook**

**9.1. Unrecognised commitments**

**Expenditure commitments**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	1 509	1 210
Later than one year but not later than five years	1 354	846
<b>Total expenditure commitments</b>	<b>2 863</b>	<b>2 056</b>

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

The Board's other commitments comprise the Netley off-site storage, security and cleaning.

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

**9.2. Contingent assets and liabilities**

The Board is not aware of any contingent assets as at 30 June 2022.

The Board is aware of a contingent liability concerning the Bolivar site. The Board leases space at Bolivar from SA Water. The lease arrangements include make good provisions in the event that the Board vacates the site. The Board has no intentions to vacate the site in the near term future. In addition, the scope and cost of potential make good requirements are undetermined. As such there has not been any provision raised in these financial statements.

There is an assessment underway at the site to put in place an environmental management plan. The cost to implement the recommendation is estimated to be between \$45 000 and \$100 000.

**Museum Board**  
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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 (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.

The revaluation process is required to be performed every six years at a minimum and is reviewed by the Chief Financial Officer and Audit & Risk Committee each year.

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.

#### **Land and buildings**

An independent valuation of land and buildings owned by the Board 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 continued 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.

**Museum Board**  
**Notes to and forming part of the financial statements**  
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**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. The carrying value of these items are deemed to approximate fair value.

**Heritage assets**

An independent valuation of heritage assets was performed as at 30 June 2022. Refer note 5.4.

**10.2. Financial instruments**

**Financial risk management**

Risk management is managed by the Board's Facilities, Safety and Risk Services section. The Board's 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.

**Impairment of financial assets**

Impairment losses are based on past history of credit losses.

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 Board and a failure to make contractual payments for a period of greater than 90 days past due.

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.

**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 "*Museum Board Account*" and the ANZ and Macquarie SA accounts

## Museum Board

### Notes to and forming part of the financial statements for the year ended 30 June 2022

#### 10.2 Financial instruments (continued)

##### Classification of financial instruments

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

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2022 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6.1	3 948	3 948	-
<b>Fair value through profit and loss</b>				
Receivables**	6.2	317	314	3
Listed equity instruments designated at fair value through other comprehensive income	6.3	3 257	-	3 257
Listed debt instruments designated at fair value through profit and loss	6.3	194	-	194
<b>Total financial assets</b>		<b>7 716</b>	<b>4 262</b>	<b>3 454</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Payables**	7.1	2 132	2 132	-
Lease liabilities	7.3	3	3	-
<b>Total financial liabilities</b>		<b>2 135</b>	<b>2 135</b>	<b>-</b>

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2021 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	6.1	8 526	8 526	-
<b>Fair value through profit and loss</b>				
Receivables**	6.2	898	898	-
Listed equity instruments designated at fair value through other comprehensive income	6.3	2 415	-	2 415
<b>Total financial assets</b>		<b>11 839</b>	<b>9 424</b>	<b>2 415</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Payables**	7.1	1 871	1 871	-
Lease liabilities	7.3	14	11	3
<b>Total financial liabilities</b>		<b>1 885</b>	<b>1 882</b>	<b>3</b>

**Museum Board**  
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**10.2 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, 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 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).