

# Board of the Botanic Gardens and State Herbarium

Financial report  
for the year ended  
30 June 2020



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

### Opinion

I have audited the financial report of the Board of the Botanic Gardens and State Herbarium (the Board) for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2020, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Director, Botanic Gardens and State Herbarium and the Chief Financial Officer of the Department for Environment and Water.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Board and its controlled entities. 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 obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Botanic Gardens and State Herbarium Act 1978*, I have audited the financial report of the Board for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

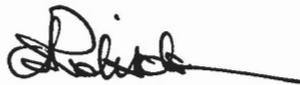
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board

- 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 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**

29 September 2020

# **Board of the Botanic Gardens and State Herbarium**

## **Financial Statements**

For the year ended 30 June 2020

**Board of the Botanic Gardens and State Herbarium**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2020*

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We certify that the attached general purpose financial statements for the Board of the Botanic Gardens and State Herbarium:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Board
- present a true and fair view of the financial position of the Board of the Botanic Gardens and State Herbarium as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Board of the Botanic Gardens and State Herbarium for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Judy Potter  
**Presiding Member**  
Board of the Botanic Gardens and State  
Herbarium  
27 September 2020



Dr Lucy Sutherland  
**Director**  
Botanic Gardens and State Herbarium  
Department for Environment and Water  
28 September 2020



Shaun O'Brien  
**Chief Financial Officer**  
Department for Environment and Water  
28 September 2020

**Board of the Botanic Gardens and State Herbarium**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

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	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Fees and charges	2.1	1 640	2 151
Grants	2.2	122	91
Intra-government transfers	2.3	74	-
Interest	2.4	18	47
Resources received free of charge	2.5	668	442
Other income	2.6	1 146	294
<b>Total income</b>		<b>3 668</b>	<b>3 025</b>
<b>Expenses</b>			
Board member expenses	3.2	113	120
Supplies and services	4.1	881	1 289
Depreciation	4.2	2 166	2 194
Reimbursement of DEW expenses	4.3	829	665
Impairment loss	6.2	-	148
Other expenses	4.4	21	100
<b>Total expenses</b>		<b>4 010</b>	<b>4 516</b>
<b>Net result</b>		<b>(342)</b>	<b>(1 491)</b>
<b>Other comprehensive income</b>			
Changes in property, plant and equipment asset revaluation surplus		3 483	-
<b>Total other comprehensive income</b>		<b>3 483</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>3 141</b>	<b>(1 491)</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.

**Board of the Botanic Gardens and State Herbarium**  
**Statement of Financial Position**  
*as at 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	3 959	3 530
Receivables	6.2	58	127
Inventories	5.3	72	65
<b>Total current assets</b>		<b>4 089</b>	<b>3 722</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	60 919	58 238
<b>Total non-current assets</b>		<b>60 919</b>	<b>58 238</b>
<b>Total assets</b>		<b>65 008</b>	<b>61 960</b>
<b>Current liabilities</b>			
Payables	7.1	99	192
<b>Total current liabilities</b>		<b>99</b>	<b>192</b>
<b>Total liabilities</b>		<b>99</b>	<b>192</b>
<b>Net assets</b>		<b>64 909</b>	<b>61 768</b>
<b>Equity</b>			
Asset revaluation surplus		22 245	18 762
Retained earnings		42 664	43 006
<b>Total equity</b>		<b>64 909</b>	<b>61 768</b>

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

**Board of the Botanic Gardens and State Herbarium**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2020*

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	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>	18 762	44 677	63 439
Error correction - property, plant and equipment	-	(180)	(180)
<b>Restated balance at 1 July 2018</b>	<u>18 762</u>	<u>44 497</u>	<u>63 259</u>
Net result for 2018-19	-	(1 491)	(1 491)
<b>Total comprehensive result for 2018-19</b>	<u>-</u>	<u>(1 491)</u>	<u>(1 491)</u>
<b>Balance at 30 June 2019</b>	<u>18 762</u>	<u>43 006</u>	<u>61 768</u>
Net result for 2019-20	-	(342)	(342)
Gain/(loss) on revaluation of property, plant and equipment	3 483	-	3 483
<b>Total comprehensive result for 2019-20</b>	<u>3 483</u>	<u>(342)</u>	<u>3 141</u>
<b>Balance at 30 June 2020</b>	<u><u>22 245</u></u>	<u><u>42 664</u></u>	<u><u>64 909</u></u>

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

Board of the Botanic Gardens and State Herbarium  
**Statement of Cash Flows**  
*for the year ended 30 June 2020*

		2020	2019
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Fees and charges		1 704	2 456
Receipts from grants		122	207
Intra-government transfers		74	-
Interest received		23	46
Other receipts		549	178
<b>Cash generated from operating activities</b>		<b>2 472</b>	<b>2 887</b>
<b>Cash outflows</b>			
Board member payments		(113)	(120)
Payments for supplies and services		(974)	(1 233)
Payments for grants and subsidies		(829)	(665)
Other payments		(28)	(29)
<b>Cash used in operating activities</b>		<b>(1 944)</b>	<b>(2 047)</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>528</b>	<b>840</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(99)	-
<b>Cash used in investing activities</b>		<b>(99)</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(99)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>429</b>	<b>840</b>
Cash and cash equivalents at the beginning of the reporting period		3 530	2 690
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>3 959</b>	<b>3 530</b>

The accompanying notes form part of these financial statements.

Board of the Botanic Gardens and State Herbarium  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020

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**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
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**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1. About the Board of the Botanic Gardens and State Herbarium Reporting entity**

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

**1.1. Basis of preparation**

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

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

For the 2019-20 financial statements the Board adopted AASB 15 – *Revenue from Contracts with Customers*, and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the notes associated with the item measured.

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

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

**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1.2. Objectives and programs**

***Strategic context***

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

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

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

***Financial arrangements***

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

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

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

***Programs of the Board***

In achieving its objectives, the Board conducts its services through a single program, Botanic Gardens Management. The purpose of this program is to manage the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant appreciation, knowledge and conservation through our natural and cultural collections and programs.

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

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

Key impacts to the Board in 2019-20 was a reduction in capacity to complete some projects in the field, and the inability to hold major revenue earning events. The Board, supported by the Department of Treasury and Finance, also provided rent relief for the final quarter of the 2019-20 financial year. Supplementary income was received from the Department of Treasury and Finance in lieu of this rental income, refer to note 2.3.

Board of the Botanic Gardens and State Herbarium  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020

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**2. Income**

**2.1. Fees and charges**

	2020	2019
	\$'000	\$'000
Car parking	669	792
Garden functions	633	939
Property rental and related income	236	308
Expiation fees	65	91
Admissions and guided tours	32	8
Sale of goods	5	13
<b>Total fees and charges</b>	<b>1 640</b>	<b>2 151</b>

**2.2. Grants**

	2020	2019
	\$'000	\$'000
Private industry and local government	122	91
<b>Total grant revenues</b>	<b>122</b>	<b>91</b>

All grant revenues are recognised by the Board on receipt.

**2.3. Intra-government transfers**

	2020	2019
	\$'000	\$'000
Rent relief reimbursement from the Department of Treasury and Finance	74	-
<b>Total Intra-government transfers</b>	<b>74</b>	<b>-</b>

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

Intra-government transfers are recognised as income on receipt.

**2.4. Interest**

	2020	2019
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	18	47
<b>Total interest revenues</b>	<b>18</b>	<b>47</b>

Board of the Botanic Gardens and State Herbarium  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020

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**2.5. Resources received free of charge**

	2020	2019
	\$'000	\$'000
Plant and equipment	393	308
Park infrastructure	209	30
Buildings and improvements	66	80
Other - books and artefacts	-	24
<b>Total resources received free of charge</b>	<b>668</b>	<b>442</b>

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

During the current year, assets to the value of \$0.668 million (2019: \$0.418 million) were transferred from DEW to the Board of the Botanic Gardens and State Herbarium free of charge. Assets transferred related to Irrigation Control System, Garden Lights System, Upgrade on Tram Barn Lift Services, Water Tanks and Retaining Walls.

**2.6. Other income**

	2020	2019
	\$'000	\$'000
Insurance recoveries	-	-
Asset related adjustments	597	-
Recoveries	303	116
Other sundry revenue	215	146
Sponsorships, donations, commissions and bequests	31	32
<b>Total other income</b>	<b>1 146</b>	<b>294</b>

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

This revenue is recognised upon receipt.

Board of the Botanic Gardens and State Herbarium  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020

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**3. Board, committees and employees**

**3.1. Key management personnel**

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

Total compensation for key management personnel was \$287 000 (2019: \$286 000).

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

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

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

**3.2. Board and committee members**

Members of the board during the 2020 financial year were:

**Board of the Botanic Gardens & State Herbarium**

J Potter (Presiding Member)  
R DiMonte  
C A Elstob (retired July 2019)  
J Restas  
J R Ellison (retired June 2020)  
I M Redmond  
E A Raupach  
A Kay (appointed July 2019)  
L J Parry (appointed November 2019)

***Board and committee remuneration***

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

	2020	2019
\$0 - \$19 999	8	8
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>9</b>	<b>9</b>

The total remuneration received or receivable by members was \$108 000 (2019: \$114 000). Remuneration of members includes sitting fees, and superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. A further \$5 000 (2019: \$6 000) in payroll tax expenses are recognised in 'Board member' expenses.

**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**4. Expenses**

**4.1. Supplies and services**

	2020	2019
	\$'000	\$'000
Fee for service	548	839
Minor works, maintenance & equipment	112	229
General administration	101	56
Accommodation	93	87
Scientific and technical services	-	65
Other	27	13
<b>Total supplies and services</b>	<b>881</b>	<b>1 289</b>

**4.2. Depreciation**

	2020	2019
	\$'000	\$'000
<b>Depreciation</b>		
Buildings and improvements	710	715
Park infrastructure	963	936
Roads, tracks and trails	146	121
Furniture and fittings	-	111
Plant and equipment	347	311
<b>Total depreciation</b>	<b>2 166</b>	<b>2 194</b>

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Land assets are not depreciated.

**Useful life**

Depreciation is 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>
Park Infrastructure	7-60
Plant and Equipment	4-25
Roads, Tracks and Trails	6-35
Furniture and Fittings	10
Buildings and Improvements	9-105

**Review of accounting estimates**

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

Board of the Botanic Gardens and State Herbarium  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020

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**4.3. Reimbursement of DEW expenses**

	2020	2019
	\$'000	\$'000
Department for Environment and Water	829	665
<b>Total reimbursement of DEW expenses</b>	<b>829</b>	<b>665</b>

**4.4. Other expenses**

	2020	2019
	\$'000	\$'000
Property, plant and equipment write offs	-	69
Movement in Inventory	(8)	3
Other (including audit fees)	29	28
<b>Total other expenses</b>	<b>21</b>	<b>100</b>

Board of the Botanic Gardens and State Herbarium  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2020	2019
	\$'000	\$'000
<b>Land</b>		
Land at fair value <sup>(i)</sup>	22 165	18 682
<b>Total land</b>	<u>22 165</u>	<u>18 682</u>
<b>Buildings and improvements</b>		
Buildings and improvements at fair value <sup>(i)</sup>	39 691	39 676
Buildings and improvements at cost <sup>(ii)</sup>	211	225
Accumulated depreciation	(21 996)	(21 351)
<b>Total buildings and improvements</b>	<u>17 906</u>	<u>18 550</u>
<b>Park infrastructure</b>		
Park infrastructure at fair value <sup>(i)</sup>	72 362	72 819
Park infrastructure at cost <sup>(ii)</sup>	1 179	691
Accumulated depreciation	(63 246)	(62 793)
<b>Total park infrastructure</b>	<u>10 295</u>	<u>10 717</u>
<b>Roads, tracks and trails</b>		
Roads, tracks and trails at fair value <sup>(i)</sup>	3 935	4 096
Roads, tracks and trails at cost <sup>(ii)</sup>	812	616
Accumulated depreciation	(3 626)	(3 809)
<b>Total roads, tracks and trails</b>	<u>1 121</u>	<u>903</u>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value) <sup>(iii)</sup>	3 457	3 064
Accumulated depreciation	(2 097)	(1 750)
<b>Total other</b>	<u>1 360</u>	<u>1 314</u>
<b>Other - books and artefacts</b>		
Other - books and artefacts at fair value <sup>(i)</sup>	8 072	8 072
<b>Total other - books and artefacts</b>	<u>8 072</u>	<u>8 072</u>
<b>Total property, plant and equipment</b>	<u><u>60 919</u></u>	<u><u>58 238</u></u>

(i), (ii), (iii) refer note 11.1 for details of the carrying amounts of property, plant and equipment.

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. Detail about the Board's approach to fair value is set out in note 11.1.

**Impairment**

All non-current tangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective revaluation surplus.

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5.2. Property, plant and equipment owned by the Board

Reconciliation 2019-20

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

	Plant and		Total
	equipment	Other	
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	1 314	8 072	58 238
Acquisitions	-	-	99
Assets received for nil consideration	393	-	668
Asset related adjustments recognised in Other Income	-	-	597
Depreciation	(347)	-	(2 166)
Net revaluation increments	-	-	3 483
<b>Carrying amount at 30 June 2020</b>	<b>1 360</b>	<b>8 072</b>	<b>60 919</b>

5.3. Inventories

	2020	2019
	\$'000	\$'000
<b>Current - held for sale</b>		
<b>Inventories held for resale - at cost</b>		
Finished goods held for resale - at cost	72	65
<b>Total inventories</b>	<b>72</b>	<b>65</b>

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

**Inventory write-down**

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

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6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	3 959	3 530
<b>Total cash and cash equivalents</b>	<b>3 959</b>	<b>3 530</b>

*Deposits with the Treasurer*

The Board invests surplus funds with the Treasurer. Interest is earned on the average monthly balance at rates based on the DTF 90-day average overnight cash interest rate and interest is paid at the end of each quarter.

6.2. Receivables

	2020	2019
	\$'000	\$'000
<b><u>Current</u></b>		
<b>Trade receivables</b>		
From government entities	-	7
From non government entities	206	259
Less impairment loss on receivables	(148)	(148)
<b>Total trade receivables</b>	<b>58</b>	<b>118</b>
Accrued revenues	-	9
<b>Total current receivables</b>	<b>58</b>	<b>127</b>
<b>Total receivables</b>	<b>58</b>	<b>127</b>

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.

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

Refer to note 11.2 for details regarding credit risk and the methodology for determining impairment.

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**7. Liabilities**

**7.1. Payables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Trade payable	36	155
Accrued expenses	60	36
Employee benefit on-costs	3	1
<b>Total current payables</b>	<b>99</b>	<b>192</b>

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

**8. Other disclosures**

**8.1. Activities undertaken by Department for Environment and Water**

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

	2020	2019
	\$'000	\$'000
<b>Expenses from ordinary activities</b>		
Employee benefits expenses	5 761	5 304
Supplies and services	2 789	2 606
Grants and subsidies	306	121
Depreciation	492	492
Assets donated to the Board of Botanic Gardens and State Herbarium	668	418
Other expenses	(18)	-
<b>Total expenses from ordinary activities</b>	<b>9 998</b>	<b>8 941</b>
<b>Revenues from ordinary activities</b>		
Fees and charges	305	181
Grant	1 000	924
<b>Total revenues from ordinary activities</b>	<b>1 305</b>	<b>1 105</b>

## 9. Changes in accounting policy

### 9.1. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue and related Interpretations* and applies to all revenue arising from contracts with customers.

#### **Impact on retained earnings**

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

### 9.2. AASB 1058 Income for Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

#### **Accounting policies on transition**

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

### 9.3. Presentation of Financial Statements

*Treasurer's Instructions (Accounting Policy Statements)* issued in June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

## 10. Outlook

### 10.1. Unrecognised contractual commitments

The Board had no unrecognised contractual commitments as at 30 June 2020. All capital commitments associated with the Board are managed by DEW and reflected in their financial statements.

### 10.2. Contingent assets and liabilities

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

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

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### 10.3. COVID-19 pandemic outlook for the Board

The COVID-19 pandemic will continue to impact the operations of the Board in 2020-21. The key expected impacts are:

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

### 10.4. Events after the reporting period

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

## 11. Measurement and risk

### 11.1. Fair Value

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

#### *Initial recognition*

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

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

#### *State Herbarium Collection*

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

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

#### *Restrictions on use - land*

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

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

### 11.1. Fair Value (continued)

#### ***Carrying amounts of property, plant and equipment***

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

*(i) Independent valuation*

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

*(ii) At cost (acquisition cost)*

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

*(iii) At cost (deemed fair value)*

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

#### ***Revaluation***

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

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

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

- Furniture and fittings
- Plant and equipment.

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

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

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

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

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

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

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

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**11.1. Fair Value (continued)**

The valuers used by the Board are as follows:

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

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

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

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

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

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

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

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## 11.2. Financial instruments

### *Financial risk management*

Risk management is managed by the Board's corporate services section. Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer 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 as the impairment to receivables in the current period is one-off in nature.

### *Credit risk*

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

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

### *Impairment of financial assets*

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The board traditionally uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances, however this was not applied for the 2019-20 reporting period.

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

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

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

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

### *Liquidity risk*

The Board is funded principally from appropriation by the SA Government. The Board works with the DTF to determine the cash flows associated with its government-approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 for further information.

### *Categorisation of financial instruments*

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

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**11.2. Financial instruments (continued)**

**Classification of Financial Instruments**

The Board measures all financial instruments at amortised cost.

Category of financial asset and financial liability		2020 Carrying amount \$'000	2019 Carrying amount \$'000
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Cash and cash equivalents		3 959	3 530
<b>Financial assets at amortised cost</b>			
Receivables	(1)	58	127
<b>Total financial assets</b>		<b>4 017</b>	<b>3 657</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost</b>			
Payables	(1)	84	162
<b>Total financial liabilities</b>		<b>84</b>	<b>162</b>

**Receivables and payables**

- (1) The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost).