

# Libraries Board of South Australia

Financial report  
for the year ended  
30 June 2021



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## To the Chair Libraries Board of South Australia

### Opinion

I have audited the financial report of the Libraries Board of South Australia for the financial year ended 30 June 2021.

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

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Libraries Board of South Australia, Acting Director, State Library of South Australia and the Acting Associate Director, Public Library Services.

### 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 Libraries Board of South Australia. 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, State Library of South Australia and the Libraries Board of South Australia for the financial report**

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

In preparing the financial report, the Director, State Library of South Australia 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, State Library of South Australia 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.

## **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 19(3) of the *Libraries Act 1982*, I have audited the financial report of the Libraries Board of South Australia for the financial year ended 30 June 2021.

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

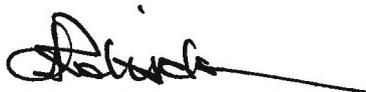
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, State Library of South Australia
- conclude on the appropriateness of the Director, State Library of South Australia'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, State Library of South Australia and the Chair, Libraries Board of South Australia about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

28 September 2021

# **Libraries Board of South Australia**

## **Financial Statements**

For the year ended 30 June 2021

**Libraries Board of South Australia**  
**Certification of the Financial Statements**  
*For the year ended 30 June 2021*

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We certify that the:

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



Bruce Linn AM  
**Chair**  
Libraries Board of South Australia  
28 September 2021



Jo Bayly  
**Acting Director**  
State Library of South Australia  
28 September 2021



James Kemperman  
**Acting Associate Director**  
Public Library Services  
28 September 2021

**Libraries Board of South Australia**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Recurrent operating grants	2.1	35 781	36 153
Fees and charges	2.2	191	278
Investment income	2.5	570	503
Resources received free of charge	2.4	1 835	374
Gain on market value movement of investments	6.3	45	-
Bequests and donations		1	4
Council contributions		112	98
Rent and facilities hire	2.3	111	158
Recoveries		227	95
Other income		125	73
<b>Total income</b>		<b>38 998</b>	<b>37 736</b>
<b>Expenses</b>			
Staff benefits expenses	3.3	12 125	12 489
Supplies and services	4.1	7 531	8 192
Accommodation and facilities	4.2	2 867	2 833
Depreciation and amortisation		3 988	2 320
Subsidies to public libraries	4.3	12 158	12 454
Loss on market value movement of investments		-	64
<b>Total expenses</b>		<b>38 669</b>	<b>38 352</b>
<b>Net result</b>		<b>329</b>	<b>(616)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus		-	29 725
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	2.6	553	-
Changes in fair value of investments classified as fair value through other comprehensive income		1 054	(763)
<b>Total other comprehensive income</b>		<b>1 607</b>	<b>28 962</b>
<b>Total comprehensive result</b>		<b>1 936</b>	<b>28 346</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.

**Libraries Board of South Australia**  
**Statement of Financial Position**  
*As at 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	10 471	7 778
Receivables	6.2	1 346	1 618
<b>Total current assets</b>		<b>11 817</b>	<b>9 396</b>
<b>Non-current assets</b>			
Receivables	6.2	15	8
Property, plant and equipment	5.1	83 604	86 632
Intangible assets	5.3	191	254
Research and heritage collections	5.4	144 563	143 394
Investments	6.3	11 293	10 050
<b>Total non-current assets</b>		<b>239 666</b>	<b>240 338</b>
<b>Total assets</b>		<b>251 483</b>	<b>249 734</b>
<b>Current liabilities</b>			
Payables	7.1	1 551	1 190
Staff benefits	3.4	1 382	1 776
Provisions	7.2	21	18
Lease liabilities	7.3	34	44
<b>Total current liabilities</b>		<b>2 988</b>	<b>3 028</b>
<b>Non-current liabilities</b>			
Payables	7.1	237	245
Staff benefits	3.4	2 522	2 642
Provisions	7.2	52	38
Lease liabilities	7.3	5	28
Other liabilities	7.4	-	10
<b>Total non-current liabilities</b>		<b>2 816</b>	<b>2 963</b>
<b>Total liabilities</b>		<b>5 804</b>	<b>5 991</b>
<b>Net assets</b>		<b>245 679</b>	<b>243 743</b>
<b>Equity</b>			
Retained earnings		86 953	86 071
Investment reserve		1 863	809
Asset revaluation surplus		156 863	156 863
<b>Total equity</b>		<b>245 679</b>	<b>243 743</b>

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

**Libraries Board of South Australia**  
**Statement of Changes in Equity**  
*For the year ended 30 June 2021*

	Asset revaluation surplus	Investment reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2019</b>	<b>127 138</b>	<b>1 572</b>	<b>86 687</b>	<b>215 397</b>
Net result for 2019-20	-	-	(616)	(616)
Fair value movement of investments classified as fair value through other comprehensive income	-	(763)	-	(763)
Gain/(loss) on revaluation of property, plant and equipment	29 725	-	-	29 725
<b>Total comprehensive result for 2019-20</b>	<b>29 725</b>	<b>(763)</b>	<b>(616)</b>	<b>28 346</b>
<b>Balance at 30 June 2020</b>	<b>156 863</b>	<b>809</b>	<b>86 071</b>	<b>243 743</b>
Net result for 2020-21	-	-	329	329
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	553	-	553
Transfer of revaluation gain on sale of investments from investment reserve to retained earnings	-	(553)	553	-
Fair value movement of investments classified as fair value through other comprehensive income	-	1 054	-	1 054
<b>Total comprehensive result for 2020-21</b>	<b>-</b>	<b>1 054</b>	<b>882</b>	<b>1 936</b>
<b>Balance at 30 June 2021</b>	<b>156 863</b>	<b>1 863</b>	<b>86 953</b>	<b>245 679</b>

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

**Libraries Board of South Australia**  
**Statement of Cash Flows**  
*For the year ended 30 June 2021*

	2021	2020
	Inflows	Inflows
	(Outflows)	(Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Recurrent operating grant	36 000	36 153
Fees and charges	303	163
Bequests and donations of cash	1	45
Council contributions	112	98
Rent and facilities hire	115	100
Investment income	534	616
Recoveries	232	78
Other receipts	106	80
<b>Cash generated from operations</b>	<b>37 403</b>	<b>37 333</b>
<b>Cash outflows</b>		
Staff benefits payments	(12 590)	(12 048)
Payments for supplies and services	(6 755)	(8 524)
Payments for accommodation and facilities	(2 859)	(2 833)
Subsidies paid to public libraries	(12 158)	(12 454)
<b>Cash used in operations</b>	<b>(34 362)</b>	<b>(35 859)</b>
<b>Net cash provided by operating activities</b>	<b>3 041</b>	<b>1 474</b>
<b>Cash flows from investing activities</b>		
<b>Cash inflows</b>		
Proceeds from the sale of / maturity of investments	4 574	-
<b>Cash generated from investing activities</b>	<b>4 574</b>	<b>-</b>
<b>Cash outflows</b>		
Purchase of heritage collections	(227)	(226)
Purchase of investments	(4 165)	(400)
Purchase of property, plant and equipment	(481)	(710)
<b>Cash used in investing activities</b>	<b>(4 873)</b>	<b>(1 336)</b>
<b>Net cash provided by / (used in) investing activities</b>	<b>(299)</b>	<b>(1 336)</b>
<b>Cash flows from financing activities</b>		
<b>Cash outflows</b>		
Repayment of principal portion of lease liabilities	(49)	(47)
<b>Cash used in financing activities</b>	<b>(49)</b>	<b>(47)</b>
<b>Net cash used in financing activities</b>	<b>(49)</b>	<b>(47)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2 693</b>	<b>91</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7 778</b>	<b>7 687</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>10 471</b>	<b>7 778</b>

The accompanying notes form part of these financial statements.

# **Libraries Board of South Australia**

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

### *For the year ended 30 June 2021*

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#### **1. About the Libraries Board of South Australia**

The Libraries Board of South Australia (the Board) is a not-for-profit statutory authority established pursuant to section 8 of the *Libraries Act 1982* (the Act). The Board is charged with the management of the State Library of South Australia (SLSA) and the Public Library Services (PLS) under the Act.

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

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

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

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

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

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), 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.

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

##### **1.2. Objectives and programs**

###### **Objectives**

The objectives of the Board as prescribed under the Act are as follows:

- formulate policies and guidelines for the provision of public library services
- establish, maintain and expand collections of library materials
- administer the State Library
- promote, encourage and assist in the establishment, operation and expansion of public libraries and public library services by councils and others.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**1.2. Objectives and programs (continued)**

**Programs**

The Board undertakes the following programs:

- *Provision of State Library Services* - to provide, through the SLSA, a comprehensive library and information service for the economic, educational, cultural and social benefit of South Australia and its citizens.
- *Support of Public Library Services* - to provide through PLS and the distribution of State subsidies, an equitable and responsible provision of resources, support and services to public libraries and community information agencies.

The tables on the following pages present expenses, income, assets and liabilities attributable to each program for the years ended 30 June 2021 and 30 June 2020.

**Expenses and income by program**

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Income</b>								
Recurrent operating grants	15 080	15 919	20 701	20 234	-	-	35 781	36 153
Fees and charges	191	278	-	-	-	-	191	278
Investment income	570	477	-	26	-	-	570	503
Resources received free of charge	1 752	329	83	45	-	-	1 835	374
Gain on market value movement of investments	45	-	-	-	-	-	45	-
Bequests and donations	1	1	-	3	-	-	1	4
Council contributions	-	-	112	98	-	-	112	98
Rent and facilities hire	111	158	-	-	-	-	111	158
Recoveries	142	59	85	36	-	-	227	95
Other income	173	127	-	1	(48)	(55)	125	73
<b>Total income</b>	<b>18 065</b>	<b>17 348</b>	<b>20 981</b>	<b>20 443</b>	<b>(48)</b>	<b>(55)</b>	<b>38 998</b>	<b>37 736</b>
<b>Expenses</b>								
Staff benefits expenses	9 517	9 710	2 608	2 779	-	-	12 125	12 489
Supplies and services	2 963	3 204	4 616	5 043	(48)	(55)	7 531	8 192
Accommodation and facilities	2 856	2 833	11	-	-	-	2 867	2 833
Depreciation and amortisation	3 913	2 250	75	70	-	-	3 988	2 320
Loss on market value movement of investments	-	64	-	-	-	-	-	64
Subsidies to public libraries	-	-	12 158	12 454	-	-	12 158	12 454
<b>Total expenses</b>	<b>19 249</b>	<b>18 061</b>	<b>19 468</b>	<b>20 346</b>	<b>(48)</b>	<b>(55)</b>	<b>38 669</b>	<b>38 352</b>
<b>Net result</b>	<b>(1 184)</b>	<b>(713)</b>	<b>1 513</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>329</b>	<b>(616)</b>

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**1.2. Objectives and programs (continued)**

**Assets and liabilities by program**

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>								
Assets	8 170	7 567	3 647	1 829	-	-	11 817	9 396
<b>Total current assets</b>	<b>8 170</b>	<b>7 567</b>	<b>3 647</b>	<b>1 829</b>	-	-	<b>11 817</b>	<b>9 396</b>
<b>Non-current assets</b>								
Assets	239 568	240 196	98	142	-	-	239 666	240 338
<b>Total non-current assets</b>	<b>239 568</b>	<b>240 196</b>	<b>98</b>	<b>142</b>	-	-	<b>239 666</b>	<b>240 338</b>
<b>Current liabilities</b>								
Liabilities	1 822	1 598	1 166	1 430	-	-	2 988	3 028
<b>Total current liabilities</b>	<b>1 822</b>	<b>1 598</b>	<b>1 166</b>	<b>1 430</b>	-	-	<b>2 988</b>	<b>3 028</b>
<b>Non-current liabilities</b>								
Liabilities	2 276	2 963	540	-	-	-	2 816	2 963
<b>Total non-current liabilities</b>	<b>2 276</b>	<b>2 963</b>	<b>540</b>	-	-	-	<b>2 816</b>	<b>2 963</b>
<b>Net assets</b>	<b>243 640</b>	<b>243 202</b>	<b>2 039</b>	<b>541</b>	-	-	<b>245 679</b>	<b>243 743</b>

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

The COVID-19 pandemic has impacted on the operations of the Board and the impacts are included under the relevant disclosure notes. The key impact in 2020-21 was that the restrictions resulted in a loss of income due to reduced rent from corporate tenants including Writers SA and St Raphael's Café.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**2. Income**

**2.1. Recurrent operating grants**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent operating grants	35 781	36 153
<b>Total revenues from recurrent operating grants</b>	<b>35 781</b>	<b>36 153</b>

Grants are recognised on receipt. The Board received an annual recurrent operating grant of \$35.781 million (2020: \$36.153 million) from the Department of the Premier and Cabinet. The operating grant is the primary source of revenue for the Board.

**2.2. Fees and charges**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Lecturing services	100	201
Photocopying services	50	40
Other fees and charges	7	31
Fees for services	34	6
<b>Total revenues from fees and charges</b>	<b>191</b>	<b>278</b>

Revenue from lecturing and photocopying services is recognised at a point in time as services are provided. Revenue for fees for services including Trove uploads, and other fees and charges are recognised as services are provided.

**2.3. Rent and facilities hire**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income	74	90
Facilities hire	37	68
<b>Total revenues from rent and facilities hire</b>	<b>111</b>	<b>158</b>

Revenue from facilities hire and rental income is recognised when services are provided.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**2.4. Resources received free of charge**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Conservation services	102	98
Donated assets	1 346	41
Services received free of charge - Shared Services SA	191	232
Services received free of charge - IDG (StateNet)	196	-
Services received free of charge - Valuation services	-	3
<b>Total resources received free of charge</b>	<b>1 835</b>	<b>374</b>

Resources received free of charge are recorded as income and expenditure in the Statement of Comprehensive Income at their fair value.

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 included as preservation activities in note 4.1. Supplies and services.

Donated assets include the Robert Hannaford private archive collection and a solar battery storage system installed at the State Library of SA donated from the Department for Energy and Mining.

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, following Cabinet's approval to cease intra-government charging. The Board receives IDG (StateNet) services free of charge from the Department of the Premier and Cabinet including information technology and telecommunication services.

**2.5. Investment income**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends	258	222
Interest	109	130
Dividend imputation credits	124	117
Distributions	79	34
<b>Total investment revenues</b>	<b>570</b>	<b>503</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 declared.

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments</b>		
Proceeds from disposal	4 574	-
Less net book value of assets disposed	(4 021)	-
<b>Net gain / (loss) from disposal of investments</b>	<b>553</b>	<b>-</b>
<b>Total assets</b>		
Proceeds from disposal	4 574	-
Less net book value of assets disposed	(4 021)	-
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>553</b>	<b>-</b>

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**3. Board, committees and staff**

**3.1. Key management personnel**

Key management personnel of the Board include the Premier of the State of South Australia as responsible for the Arts, the Chair and members of the Board itself and the Director of the State Library of South Australia, the Associate Director, State Library Services, and Associate Director, Public Library Services, all of whom have responsibility for the strategic direction and management of the Board.

Total compensation for the Board's key management personnel was \$646 000 (\$621 000). This amount excludes salaries and other benefits the Premier receives. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance (DTF)) under section 6 of the *Parliamentary Remuneration Act 1990*.

**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 2021 financial year were:

BM Linn AM (Chair)  
JMH Finlay  
SG Hicks  
JY Whittaker  
MK Berghuis  
BM Lewis  
Prof. J Cys  
Prof. AE Nettelbeck

**Board and committee remuneration**

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

	2021	2020
\$0 - \$19 999	8	13
<b>Total number of Board members</b>	<b>8</b>	<b>13</b>

The total remuneration received or receivable by members was \$47 000 (\$39 000). 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.

In accordance with the Department of Premier and Cabinet Circular No. 16, government employees did not receive any remuneration for board and committee duties during the reporting period. Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length.

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**3.3. Staff benefits expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	8 992	8 949
Employment on-costs - superannuation	1 070	1 065
Annual leave	844	871
Targeted voluntary separation packages (refer below)	334	420
Payroll tax	547	570
Long service leave	(20)	201
Skills and experience retention leave	99	96
Board fees	43	35
Workers compensation provision adjustment	23	22
Other staff related expenses	193	260
<b>Total staff benefits expenses</b>	<b>12 125</b>	<b>12 489</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.

**Executive remuneration**

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

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
\$167 001 to \$187 000	2	2
\$227 001 to \$247 000	1	1
<b>Total</b>	<b>3</b>	<b>3</b>

The total remuneration received by those staff for the year was \$597 000 (2020: \$582 000).

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

**Targeted voluntary separation packages (TVSPs)**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Amounts paid to separated staff:</b>		
Targeted Voluntary Separation Packages	334	420
Leave paid to separated staff	39	154
Recovery from the Department of Treasury and Finance	-	(242)
<b>Net cost to the Board</b>	<b>373</b>	<b>332</b>

Number of staff who received a TVSP during the reporting period	3	5
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**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**3.4. Staff benefits liability**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	674	739
Long service leave	298	398
Skills and experience retention leave	108	111
Accrued salaries and wages	302	528
<b>Total current staff benefits</b>	<b>1 382</b>	<b>1 776</b>
<b>Non-current</b>		
Long service leave	2 522	2 642
<b>Total non-current staff benefits</b>	<b>2 522</b>	<b>2 642</b>
<b>Total staff benefits</b>	<b>3 904</b>	<b>4 418</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 salaries 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 are expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

**Long service leave**

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

**Libraries Board of South Australia**  
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**4. Expenses**

Staff benefits expenses are in note 3.3.

**4.1. Supplies and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Information technology and communication charges	2 153	2 634
Freight, courier, and postage	1 792	1 696
Contractors	326	543
Cataloguing and end processing	434	527
Membership / Subscriptions	156	163
Electronic resources	265	356
Consultants' fees	139	245
Business services charge	387	232
Maintenance	44	204
Insurance and risk management	188	184
Projects	298	162
Marketing and promotion	88	146
Preservation activities	130	123
Minor equipment purchases	238	66
Accommodation	19	62
Exhibitions	4	33
Licences	419	290
Doubtful debts	(5)	(10)
Other	456	536
<b>Total supplies and services</b>	<b>7 531</b>	<b>8 192</b>

**Consultants**

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

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Number</b>	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>
Below \$10 000	1	6	1	11
\$10 000 or above	4	133	1	234
<b>Total</b>	<b>5</b>	<b>139</b>	<b>2</b>	<b>245</b>

**4.2. Accommodation and facilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	1 270	1 363
Facilities	1 118	864
Security	479	606
<b>Total accommodation and facilities</b>	<b>2 867</b>	<b>2 833</b>

**Libraries Board of South Australia**  
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**4.3. Subsidies to public libraries**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Library materials contribution	6 301	6 613
Operating contribution	5 200	5 148
Library materials local purchase contribution	602	639
Community information contribution	35	34
Community information access	20	20
<b>Total subsidies to public libraries</b>	<b>12 158</b>	<b>12 454</b>

**5. Non-financial assets**

**5.1. Property, plant and equipment**

Property, plant and equipment comprise tangible assets owned and right-of-use (leased) assets. The assets presented in the following table do not meet the definition of investment property.

All non-current assets with a value of \$10 000 or greater are capitalised, with the exception of compactus and lifts category.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

Property, plant and equipment is recorded at fair value. Details about the Board's approach to fair value is set out in note 10.2.

**Impairment**

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

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

There were no indications of impairment of property, plant and equipment as at 30 June 2021.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
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**5.1. Property, plant and equipment (continued)**

Reconciliation 2020-21

	Land	Buildings and improv.	Work in progress	Compactus and lifts	Plant and equip.	Computer equip.	Total tangible assets	ROU Vehicles	ROU Buildings	Total ROU	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	12 300	71 865	139	1 494	484	283	86 565	30	37	67	86 632
Additions	-	-	193	81	99	108	481	64	-	64	545
Depreciation and amortisation	-	(3 549)	-	(103)	(142)	(78)	(3 872)	(24)	(29)	(53)	(3 925)
Transfers between asset classes	-	324	(324)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(46)	-	(46)	(46)
Donated assets	-	404	-	-	-	-	404	-	-	-	404
Other	-	-	(8)	-	-	-	(8)	2	-	2	(6)
<b>Carrying amount at the end of the period</b>	<b>12 300</b>	<b>69 044</b>	<b>-</b>	<b>1 472</b>	<b>441</b>	<b>313</b>	<b>83 570</b>	<b>26</b>	<b>8</b>	<b>34</b>	<b>83 604</b>
<b>Gross carrying amount</b>											
Gross carrying amount	12 300	145 086	-	3 152	1 878	1 166	163 582	41	59	100	163 682
Accumulated depreciation	-	(76 042)	-	(1 680)	(1 437)	(853)	(80 012)	(15)	(51)	(66)	(80 078)
<b>Carrying amount at the end of the period</b>	<b>12 300</b>	<b>69 044</b>	<b>-</b>	<b>1 472</b>	<b>441</b>	<b>313</b>	<b>83 570</b>	<b>26</b>	<b>8</b>	<b>34</b>	<b>83 604</b>

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
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**5.1. Property, plant and equipment (continued)**

**Useful Life**

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings and improvements	10-50
Plant and equipment	5-30
Computer equipment	3-10
Compactus and lifts	30
Intangible assets	3-10
Right-of-use assets	Lease term

The research and heritage collections are kept under special conditions to minimise deterioration and 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.

**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.

**5.2. Property, plant and equipment leased by the Board**

Right-of-use assets leased by the Board as lessee are measured at cost and there were no indications of impairment.

Short-term leases of 12 months or less and low-value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1 under other expenses.

The Board has a limited number of leases:

- 5 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.
- Part ground floor lease at Collinswood for storage of the State Library of South Australia records.

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

Additions during 2020-21 were \$64 000 (\$84 000).

**Impairment**

Property, plant and equipment leased by the Board have been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

**Libraries Board of South Australia**  
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**5.3. Intangible assets**

	2021 \$'000	2020 \$'000
<b>Intangibles</b>		
Computer software	485	484
Accumulated amortisation	(294)	(230)
<b>Total intangibles</b>	<b>191</b>	<b>254</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.

**Reconciliation 2020-21**

	Computer software \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	<b>254</b>	<b>254</b>
Depreciation and amortisation	(63)	(63)
<b>Carrying amount at the end of the period</b>	<b>191</b>	<b>191</b>

**5.4. Research and heritage collections**

	2021			2020		
	Opening balance \$'000	At cost / additions \$'000	Total \$'000	Opening balance \$'000	At cost / additions \$'000	Total \$'000
Monographs	39 697	64	39 761	39 614	83	39 697
Private archives	36 364	947	37 311	36 348	16	36 364
Rare books and named collections	29 405	18	29 423	29 384	21	29 405
Periodicals	13 009	81	13 090	12 901	108	13 009
Mortlock use collections	10 391	9	10 400	10 384	7	10 391
Newspapers purchased	6 823	29	6 852	6 764	59	6 823
Maps	6 377	2	6 379	6 377	-	6 377
Mortlock audio-visual	912	1	913	910	2	912
Family history collection	147	3	150	146	1	147
Microfilm serials	253	14	267	192	61	253
Purchased databases	16	1	17	16	-	16
<b>Total research and heritage collections</b>	<b>143 394</b>	<b>1 169</b>	<b>144 563</b>	<b>143 036</b>	<b>358</b>	<b>143 394</b>

**Valuation basis**

**Public library services collections**

The film collection is valued at zero value on the basis that this collection is not being added to, is rarely used and may not be disposed under the terms of its original acquisition.

**Libraries Board of South Australia**  
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**5.4. Research and heritage collections (continued)**

**Research and heritage collections**

In accordance with fair value principles adopted under AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*, a revaluation must be completed at least every six years.

The collections were valued as at 30 June 2016 by Mr. P Tinslay, NCJV Registered Valuer, of Aon Risk Solutions (Fine Arts Division).

This valuer specialises in the valuation of heritage assets. This valuation has been carried out in accordance with the principles determined by the International Valuation Standards Committee. These international standards have been followed except where they are altered by Australian Law or by local standards as laid out by the Australian Property Institute.

The market approach has been utilised to determine fair value. The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach considers the prices of identical or similar assets that are listed or offered for sale and may necessitate adjusting the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions adopted in the valuation being undertaken, as well as differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

In instances where there were sufficient observable transactions of similar assets to the subject asset (generally in second hand markets) level 1 inputs have been used. Where inputs to the fair value measurement are considered level 2 in the fair value hierarchy they have been observed from the market and the valuer has made relatively minor adjustments for differences in asset characteristics.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	10 464	7 771
Cash on hand	7	7
<b>Total cash and cash equivalents</b>	<b>10 471</b>	<b>7 778</b>

**Deposits with the Treasurer**

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

The cash balance includes \$1.75 million (2020: \$1.59 million) of unspent funding allocated to public libraries for the purchase of library materials.

**Trust Accounts**

Public Library Services allocates funding to populations located in aboriginal lands and outback areas that currently do not have a local council authority. These funds are controlled by the Board and are included in the cash balance at 30 June 2021. The total of these accounts is \$215 000 (2020: \$205 000).

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**6.2. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	-	220
From non-government entities	116	137
Less impairment loss on receivables	-	(5)
<b>Total trade receivables</b>	<b>116</b>	<b>352</b>
Prepayments	1 082	1 154
Accrued revenues	148	112
<b>Total current receivables</b>	<b>1 346</b>	<b>1 618</b>
<b>Non-current</b>		
<b>Statutory receivables</b>		
Workers compensation recoveries	1	1
<b>Total statutory receivables</b>	<b>1</b>	<b>1</b>
Prepayments	14	7
<b>Total non-current receivables</b>	<b>15</b>	<b>8</b>
<b>Total receivables</b>	<b>1 361</b>	<b>1 626</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. 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>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	5	14
Increase/(decrease) in allowance recognised in profit or loss	(5)	(9)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>5</b>

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

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

**Libraries Board of South Australia**  
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**6.3. Investments**

	2021 \$'000	2020 \$'000
<b>Non-current</b>		
Shares and other direct investments in companies		
Carrying amount at the beginning of period	10 050	10 477
Additions	4 165	400
Disposals	(4 021)	-
Investment market value movement at end of financial year	1 099	(827)
<b>Total non-current investments</b>	<b>11 293</b>	<b>10 050</b>
<b>Total investments</b>	<b>11 293</b>	<b>10 050</b>

**Reconciliation 2020-21**

	Equity instruments designated at fair value through other comprehensive income \$'000	Debt instruments mandatorily measured at fair value through profit or loss \$'000	Total investments \$'000
<b>Carrying amount at the beginning of the period</b>	7 900	2 150	10 050
Additions	4 165	-	4 165
Disposals	(4 021)	-	(4 021)
Changes in fair value of investments	1 054	45	1 099
<b>Carrying amount at the end of period</b>	<b>9 098</b>	<b>2 195</b>	<b>11 293</b>

The equity instruments are carried at fair value.

During the year, the equity investments were 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 will be reclassified to retained earnings.

During the year, the debt instruments were designated at fair value through profit or loss with all changes in fair value going through profit or loss. On disposal of these debt instruments, any gains or losses will be recognised in profit and loss.

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

For further information on risk management refer to note 10.3.

**Libraries Board of South Australia**  
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**7. Liabilities**

Staff benefits liabilities are in note 3.4.

**7.1. Payables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade payables	1 297	976
<b>Statutory payables</b>		
Employment on-costs	199	160
Audit fees	55	54
<b>Total statutory payables</b>	<u>254</u>	<u>214</u>
<b>Total current payables</b>	<u>1 551</u>	<u>1 190</u>
<b>Non-current</b>		
<b>Statutory payables</b>		
Employment on-costs	237	245
<b>Total non-current payables</b>	<u>237</u>	<u>245</u>
<b>Total payables</b>	<u>1 788</u>	<u>1 435</u>

Payables are measured at nominal amounts.

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.

**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 are discharged.

The Board contributes 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 superannuation schemes.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has remained at 42% and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2020 rate (9.8%) to 10.1%. These rates are used in the employment on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

**Libraries Board of South Australia**  
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**7.2. Provisions**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Provision for workers compensation	21	18
<b>Total current provisions</b>	<b>21</b>	<b>18</b>
<b>Non-current</b>		
Provision for workers compensation	52	38
<b>Total non-current provisions</b>	<b>52</b>	<b>38</b>
<b>Total provisions</b>	<b>73</b>	<b>56</b>
<b>Movement in provisions</b>		
Carrying amount at the beginning of the period	56	42
Additional provisions recognised	17	14
<b>Carrying amount at the end of the period</b>	<b>73</b>	<b>56</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 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* as at the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

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

**7.3. Lease liabilities**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Lease liabilities	34	44
<b>Total current financial liabilities</b>	<b>34</b>	<b>44</b>
<b>Non-Current</b>		
Lease liabilities	5	28
<b>Total non-current financial liabilities</b>	<b>5</b>	<b>28</b>
<b>Total financial liabilities</b>	<b>39</b>	<b>72</b>

The Board measures lease liabilities at amortised cost. 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. For 2021 the lease liability reflects only finance leases recognised in accordance with *AASB 16 Leases*.

**Libraries Board of South Australia**  
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**7.4. Other liabilities**

	2021	2020
	\$'000	\$'000
<b>Non-current</b>		
Contractual security deposit	-	10
<b>Total non-current other liabilities</b>	<u>-</u>	<u>10</u>
<b>Total other liabilities</b>	<u>-</u>	<u>10</u>

**8. Other disclosures**

**8.1. Equity**

**Asset revaluation surplus**

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

**Investment reserve**

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

**8.2. Cash flow**

Total cash outflow for leases was \$49 000 (2020: \$47 000).

**Libraries Board of South Australia**  
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**9. Outlook**

**9.1. Unrecognised commitments**

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

**Capital commitments**

	2021	2020
	\$'000	\$'000
Within one year	-	243
<b>Total capital commitments</b>	<b>-</b>	<b>243</b>

The 2020 capital commitments relate to the cold store construction and compactus.

**Expenditure commitments**

	2021	2020
	\$'000	\$'000
Within one year	1 587	1 428
<b>Total expenditure commitments</b>	<b>1 587</b>	<b>1 428</b>

Expenditure commitments relate to committed orders placed by public libraries through Public Library Services for libraries materials at the reporting date not recognised as liabilities in the financial statements.

**Other commitments**

	2021	2020
	\$'000	\$'000
Within one year	1 846	3 975
Later than one year but not longer than five years	1 890	2 546
Later than five years	105	204
<b>Total other commitments</b>	<b>3 841</b>	<b>6 725</b>

Other commitments predominantly comprise the Netley off-site storage and contracts for ICT.

**9.2. Contingent assets and liabilities**

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

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

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**10. Measurement and risk**

**10.1. Long service leave liability – measurement**

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

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

*AASB 119 Employee Benefits* 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 increased from 0.75% (2020) to 1.25% (2021).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$250 000. 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 left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

**10.2. Fair value**

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

**Initial recognition**

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

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

**Revaluation**

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

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1 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.

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**10.2. Fair value (continued)**

**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.

**Plant and equipment**

All items of plant and equipment owned by the Board that had a fair value at the time of acquisition less than \$1 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

**Heritage assets**

These assets are classified in level 3 as there is no active market. An independent valuation of heritage assets was performed as at 30 June 2016 by Mr. P. Tinslay, NCJV Registered Valuer, of Aon Risk Solutions (Fine Arts Division). Fair value was determined by estimating the current replacement cost based on the limited market information available for similar heritage assets and reproduction materials.

**10.3. Financial instruments**

**Financial risk management**

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

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

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**10.3. Financial instruments (continued)**

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in *AASB 9 Financial Instruments*. The Board uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the 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.

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

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

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

**Categorisation of financial instruments**

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

**Classification of financial instruments**

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

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**10.3. Financial instruments (continued)**

**Maturity analysis of financial instruments**

Category of financial asset and financial liability	Note	2021 Carrying amount / fair value	2021 Contractual maturities*		2020 Carrying amount / fair value
			Within 1 year	1 - 5 years	
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	6.1	10 471	10 471	-	7 778
<b>Financial assets at amortised cost</b>					
Receivables**	6.2	173	173	-	465
<b>Financial assets classified as fair value</b>					
Investments	6.3	11 293	-	11 293	10 050
<b>Total financial assets</b>		<b>21 937</b>	<b>10 644</b>	<b>11 293</b>	<b>18 293</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables**	7.1	1 297	1 297	-	976
Lease liabilities	7.3	39	34	5	72
Other liabilities	7.4	-	-	-	10
<b>Total financial liabilities</b>		<b>1 336</b>	<b>1 331</b>	<b>5</b>	<b>1 058</b>

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

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

**Statutory receivables and payables**

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