

# Board of the Botanic Gardens and State Herbarium

Financial report  
for the year ended  
30 June 2019



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

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 of the Botanic Gardens and State Herbarium for the financial year ended 30 June 2019.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board of the Botanic Gardens and State Herbarium as at 30 June 2019, 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Acting Presiding Member and the Director, Board of the Botanic Gardens and State Herbarium and the Chief Financial Officer, 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 of the Botanic Gardens and State Herbarium 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* 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**

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.

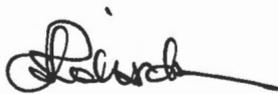
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 of the Botanic Garden and State Herbarium's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, Botanic Gardens and State Herbarium

- 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 Director, Botanic Gardens and State Herbarium 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**  
30 September 2019

**Board of the Botanic Gardens and State Herbarium**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2019*

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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 2019 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.



Rob Di Monte  
Acting Presiding Member  
Board of the Botanic Gardens and State  
Herbarium

27<sup>th</sup> September 2019



Dr Lucy Sutherland  
Director  
Botanic Gardens and State Herbarium

Department for Environment and Water  
27<sup>th</sup> September 2019



Shaun O'Brien  
Chief Financial Officer  
Department for Environment and Water

27 September 2019

**Board of the Botanic Gardens and State Herbarium**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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	Note	2019 \$'000	2018 \$'000
<b>Expenses</b>			
Board member expenses	2.1	120	112
Supplies and services	3.1	1 289	1 165
Depreciation	3.2	2 194	2 215
Reimbursement of DEW expenses	3.3	665	655
Impairment loss	6.2	148	-
Other expenses	3.4	100	34
<b>Total expenses</b>		<b>4 516</b>	<b>4 181</b>
<b>Income</b>			
Fees and charges	4.1	2 151	1 812
Grants	4.2	207	250
Interest	4.3	47	39
Resources received free of charge	4.4	442	808
Other income	4.5	178	198
<b>Total income</b>		<b>3 025</b>	<b>3 107</b>
<b>Net cost of providing services</b>		<b>(1 491)</b>	<b>(1 074)</b>
<b>Net result</b>		<b>(1 491)</b>	<b>(1 074)</b>
<b>Total comprehensive result</b>		<b>(1 491)</b>	<b>(1 074)</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 2019*

	Note	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	3 530	2 690
Receivables	6.2	127	579
Inventories	5.2	65	67
<b>Total current assets</b>		<b>3 722</b>	<b>3 336</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	58 238	60 239
<b>Total non-current assets</b>		<b>58 238</b>	<b>60 239</b>
<b>Total assets</b>		<b>61 960</b>	<b>63 575</b>
<b>Current liabilities</b>			
Payables	7.1	192	136
<b>Total current liabilities</b>		<b>192</b>	<b>136</b>
<b>Total liabilities</b>		<b>192</b>	<b>136</b>
<b>Net assets</b>		<b>61 768</b>	<b>63 439</b>
<b>Equity</b>			
Asset revaluation surplus		18 762	18 762
Retained earnings		43 006	44 677
<b>Total equity</b>		<b>61 768</b>	<b>63 439</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 2019*

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	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2017</b>	<b>18 762</b>	<b>45 034</b>	<b>63 796</b>
Error correction - property, plant and equipment	-	717	717
<b>Restated balance at 1 July 2017</b>	<b>18 762</b>	<b>45 751</b>	<b>64 513</b>
Net result for 2017-18	-	(1 074)	(1 074)
<b>Total comprehensive result for 2017-18</b>	<b>-</b>	<b>(1 074)</b>	<b>(1 074)</b>
<b>Balance at 30 June 2018</b>	<b>18 762</b>	<b>44 677</b>	<b>63 439</b>
<b>Balance at 1 July 2018</b>	<b>18 762</b>	<b>44 677</b>	<b>63 439</b>
Error correction - property, plant and equipment	-	(180)	(180)
<b>Restated balance at 1 July 2018</b>	<b>18 762</b>	<b>44 497</b>	<b>63 259</b>
Net result for 2018-19	-	(1 491)	(1 491)
<b>Total comprehensive result for 2018-19</b>	<b>-</b>	<b>(1 491)</b>	<b>(1 491)</b>
<b>Balance at 30 June 2019</b>	<b>18 762</b>	<b>43 006</b>	<b>61 768</b>

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 2019*

		2019	2018
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Board member payments		(120)	(112)
Payments for supplies and services		(1 233)	(1 124)
Payments for grants and subsidies		(665)	(655)
Other payments		(29)	(32)
<b>Cash used in operating activities</b>		<u>(2 047)</u>	<u>(1 923)</u>
<b>Cash inflows</b>			
Fees and charges		2 456	1 581
Receipts from grants		207	250
Interest received		46	39
Other receipts		178	198
<b>Cash generated from operating activities</b>		<u>2 887</u>	<u>2 068</u>
<b>Net cash provided by / (used in) operating activities</b>		<u>840</u>	<u>145</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>840</u>	<u>145</u>
Cash and cash equivalents at the beginning of the reporting period		2 690	2 545
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<u><u>3 530</u></u>	<u><u>2 690</u></u>

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 2019*

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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 2019*

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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 2018-19 financial statements the Board adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. 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 2019*

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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.

**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2. Board, committees and employees**

**2.1. 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 \$286 000 (2018: \$281 000).

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.

**2.2. Board and committee members**

Members of the board during the 2019 financial year were:

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

J Potter (Presiding Member)

R Dimonte

C A Elstob

L R G Jacobs (retired August 2018)

R J Nunn

J Restas

J R Ellison

I M Redmond (appointed November 2018)

E A Raupach

***Board and committee remuneration***

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

	2019	2018
\$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 \$114 000 (2018: \$108 000). Remuneration of members includes sitting fees, and superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. A further \$6 000 (2018: \$4 000) 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 2019*

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**3. Expenses**

**3.1. Supplies and services**

	2019	2018
	\$'000	\$'000
Fee for service	827	724
Minor works, maintenance & equipment	229	267
Accommodation and property management	87	89
Scientific and technical services	65	18
General administration	56	60
Contractors	12	-
Other	13	7
<b>Total supplies and services</b>	<b>1 289</b>	<b>1 165</b>

**3.2. Depreciation**

	2019	2018
	\$'000	\$'000
<b>Depreciation</b>		
Buildings and improvements	715	701
Park infrastructure	936	941
Roads, tracks and trails	121	120
Furniture and fittings	111	133
Plant and equipment	311	320
<b>Total depreciation</b>	<b>2 194</b>	<b>2 215</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.

***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.

***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

**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**3.3. Reimbursement of DEW expenses**

	2019	2018
	\$'000	\$'000
Department for Environment and Water	665	655
<b>Total reimbursement of DEW expenses</b>	<b>665</b>	<b>655</b>

**3.4. Other expenses**

	2019	2018
	\$'000	\$'000
Property, plant and equipment write offs	69	-
Movement in Inventory	3	3
Other (including audit fees)	28	31
<b>Total other expenses</b>	<b>100</b>	<b>34</b>

**4. Income**

**4.1. Fees and charges**

	2019	2018
	\$'000	\$'000
Garden functions	939	592
Car parking	792	718
Property rental and related income	308	364
Expiation fees	91	86
Sale of goods	13	25
Admissions and guided tours	8	25
Other fees and charges	-	2
<b>Total fees and charges</b>	<b>2 151</b>	<b>1 812</b>

**4.2. Grants**

	2019	2018
	\$'000	\$'000
Private industry and local government	91	131
Grants received from entities within the SA Government	116	119
<b>Total grant revenues</b>	<b>207</b>	<b>250</b>

Contributions are recognised as an asset and income when the Board obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Generally, the Board has obtained control or the right to receive:

- contributions with unconditional stipulations - this will be when the agreement becomes enforceable; that is, the earlier of when the receiving entity has formally been advised that the contribution (for example, grant application) has been approved; agreement/contract is executed; and/or the contribution is received
- contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.2. Grants (continued)**

***Restrictions on contributions received***

The Board is engaged in a variety of funding programs involving State and Commonwealth sources that provide monies to the Board on the premise that these funds are expended in a manner consistent with the terms of the agreement. At reporting date the Board had the following outstanding funding commitments.

	2019	2018
	\$'000	\$'000
Research	-	10
Books	-	7
Other	-	69
<b>Total restrictions on contributions received</b>	<b>-</b>	<b>86</b>

**4.3. Interest**

	2019	2018
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	47	39
<b>Total interest revenues</b>	<b>47</b>	<b>39</b>

**4.4. Resources received free of charge**

	2019	2018
	\$'000	\$'000
Plant and equipment	308	75
Buildings and improvements	80	145
Park infrastructure	30	588
Other - books and artefacts	24	-
<b>Total resources received free of charge</b>	<b>442</b>	<b>808</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 \$0.418 million (2018: \$0.588 million) were transferred from DEW to the Board of the Botanic Gardens and State Herbarium free of charge. Assets transferred related to the Palm House, Garden Lights and Walk-in-Freezer. Ceramic Artwork to the value of \$0.024 million was donated by Michael Jonathan Wait.

**4.5. Other income**

	2019	2018
	\$'000	\$'000
Sponsorships, donations, commissions and bequests	32	18
Other sundry revenue	146	180
<b>Total other income</b>	<b>178</b>	<b>198</b>

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 2019*

**5. Non-financial assets**

**5.1. Property, plant and equipment**

	2019	2018
	\$'000	\$'000
<b>Land</b>		
Land at fair value <sup>(i)</sup>	18 682	18 682
<b>Total land</b>	<b>18 682</b>	<b>18 682</b>
<b>Buildings and improvements</b>		
Buildings and improvements at fair value <sup>(i)</sup>	39 676	39 704
Buildings and improvements at cost <sup>(ii)</sup>	225	145
Accumulated depreciation	(21 351)	(20 658)
<b>Total buildings and improvements</b>	<b>18 550</b>	<b>19 191</b>
<b>Park infrastructure</b>		
Park infrastructure at fair value <sup>(i)</sup>	72 819	73 454
Park infrastructure at cost <sup>(ii)</sup>	691	691
Accumulated depreciation	(62 793)	(62 285)
<b>Total park infrastructure</b>	<b>10 717</b>	<b>11 860</b>
<b>Roads, tracks and trails</b>		
Roads, tracks and trails at fair value <sup>(i)</sup>	4 096	4 126
Roads, tracks and trails at cost <sup>(ii)</sup>	616	616
Accumulated depreciation	(3 809)	(3 712)
<b>Total roads, tracks and trails</b>	<b>903</b>	<b>1 030</b>
<b>Furniture and fittings</b>		
Furniture and fittings at cost (deemed fair value) <sup>(iii)</sup>	1 794	1 794
Accumulated depreciation	(1 794)	(1 683)
<b>Total furniture and fittings</b>	<b>-</b>	<b>111</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value) <sup>(iii)</sup>	3 064	2 756
Accumulated depreciation	(1 750)	(1 439)
<b>Total other</b>	<b>1 314</b>	<b>1 317</b>
<b>Other - books and artefacts</b>		
Other - books and artefacts at fair value <sup>(i)</sup>	8 072	8 048
<b>Total other - books and artefacts</b>	<b>8 072</b>	<b>8 048</b>
<b>Total property, plant and equipment</b>	<b>58 238</b>	<b>60 239</b>

(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.

**Board of the Botanic Gardens and State Herbarium**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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

***Error correction***

An error correction of \$717 000 has been disclosed in the Statement of Changes in Equity and has been retrospectively restated as at 1 July 2017 in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The error correction comprised two adjustments, for \$634 000 and \$83 000 which resulted in a net increase of \$717 000 to retained earnings and a net increase to the carrying values of park infrastructure, and roads, tracks and trails asset classes.

The error correction of \$634 000 related to the first time recognition of assets and other asset revisions identified through a comprehensive stocktake process undertaken in 2017-18 and resulted in the increase to the carrying values of park infrastructure, \$617 000, and roads, tracks and trails, \$17 000.

The adjustment for \$83 000 related to the incorrect calculation of accumulated depreciation in the processing of the revaluation of the Data Dictionary in 2016-17 and resulted in the increase to the carrying values of buildings and improvements, \$4 000, park infrastructure, \$65 000, and roads, tracks, and trails, \$14 000.

An error correction of \$180 000 has been disclosed in the Statement of Changes in Equity and has been retrospectively restated as at 1 July 2018 in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The error correction resulted in a net decrease of \$180 000 to retained earnings and a net decrease to the carrying values of the following asset classes, buildings and improvements, \$1 000; park infrastructure, \$175 000, and roads, tracks and trails, \$4 000. The adjustments to the carrying values of assets related to the incorrect calculation of accumulated depreciation in the processing of the revaluation of the Data Dictionary as at 1 July 2016, and the correction of an overstatement to park infrastructure of \$163 000.

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

**Reconciliation 2018-19**

	Buildings and		Park Roads, tracks	
	Land improvements	infrastructure	and trails	
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 30 June 2018</b>	18 682	19 191	11 860	1 030
Error correction	-	(1)	(175)	(4)
<b>Carrying amount at 1 July 2018</b>	18 682	19 190	11 685	1 026
Assets received for nil consideration	-	80	30	-
Assets written off	-	(5)	(62)	(2)
Depreciation	-	(715)	(936)	(121)
<b>Carrying amount at 30 June 2019</b>	<b>18 682</b>	<b>18 550</b>	<b>10 717</b>	<b>903</b>

	Furniture and fittings	Plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 30 June 2018</b>	111	1 317	8 048	60 239
Error correction	-	-	-	(180)
<b>Carrying amount at 1 July 2018</b>	111	1 317	8 048	60 059
Assets received for nil consideration	-	308	24	442
Assets written off	-	-	-	(69)
Depreciation	(111)	(311)	-	(2 194)
<b>Carrying amount at 30 June 2019</b>	<b>-</b>	<b>1 314</b>	<b>8 072</b>	<b>58 238</b>

**5.2. Inventories**

	2019	2018
	\$'000	\$'000
<b>Current - held for sale</b>		
<b>Inventories held for resale - at cost</b>		
Finished goods held for resale - at cost	65	67
<b>Total inventories</b>	<b>65</b>	<b>67</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.

**Board of the Botanic Gardens and State Herbarium**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	3 530	2 690
<b>Total cash and cash equivalents</b>	<b>3 530</b>	<b>2 690</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**

	2019	2018
	\$'000	\$'000
<b><u>Current</u></b>		
<b>Trade receivables</b>		
From government entities	7	52
From non government entities	259	523
Less allowance for doubtful debts	(148)	-
<b>Total trade receivables</b>	<b>118</b>	<b>575</b>
Accrued revenues	9	4
<b>Total current receivables</b>	<b>127</b>	<b>579</b>
<b>Total receivables</b>	<b>127</b>	<b>579</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.

**7. Liabilities**

**7.1. Payables**

	2019	2018
	\$'000	\$'000
<b><u>Current</u></b>		
Trade payable	155	105
Accrued expenses	36	31
Employee benefit on-costs	1	-
<b>Total current payables</b>	<b>192</b>	<b>136</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.

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**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.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses from ordinary activities</b>		
Employee benefits expenses	5 304	5 380
Supplies and services	2 606	3 258
Grants and subsidies	121	113
Depreciation	492	470
Assets donated to the Board of Botanic Gardens and State Herbarium	418	588
Other expenses	-	619
<b>Total expenses from ordinary activities</b>	<b>8 941</b>	<b>10 428</b>
 <b>Revenues from ordinary activities</b>		
Fees and charges	181	126
Grant	924	1 418
<b>Total revenues from ordinary activities</b>	<b>1 105</b>	<b>1 544</b>

**9. Changes in accounting policy**

**9.1. Treasurer's Instructions (Accounting Policy Statements)**

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government
- increasing the bands from \$10,000 to \$20,000 for board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

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**9. Changes in accounting policy (continued)**

**9.2. AASB 9 Financial instruments**

*AASB 9 Financial Instruments* replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

As part of the adoption of AASB 9, the Board adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses.

On 1 July 2018, the Board has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables.

***Impairment of financial assets***

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Board are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services

This model generally results in earlier recognition of credit losses than the previous one.

***Trade receivables***

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Board has applied the simplified approach under AASB 9 Financial Instruments and reviewed each trade receivable at 1 July 2018. This did not result in an increase in the loss allowance at 1 July 2018 because the Board did not expect any debtor to default nor any of the receivable amount to become uncollectable.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

**Board of the Botanic Gardens and State Herbarium**  
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## **10. Outlook**

### **10.1. Unrecognised contractual commitments**

The Board had no unrecognised contractual commitments as at 30 June 2019. 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.

### **10.3. 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.

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**11.1. Fair Value (continued)**

***Restrictions on use - land***

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

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

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

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

*(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.

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**11.1. Fair Value (continued)**

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.

The valuers used by the Board are as follows:

- 1 July 2015, valuation of land, State Valuation Office, Mr Mark Kay, Chief Valuer and Mr Greg McCloud, Acquisition & Procurement 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, CINO, 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.

**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.

***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.

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**11.2. Financial instruments (continued)**

***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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement***

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loan and receivables
- Financial liabilities measured at cost.

***Classification applicable from 1 July 2018 under AASB 9 Financial Instruments***

On initial recognition, a financial asset which is a debt instrument is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset which is an equity instrument is classified as measured at fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Board measures all financial instruments at amortised cost.

Category of financial asset and financial liability		2019 Carrying amount \$'000	2018 Carrying amount \$'000
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Cash and cash equivalents		3 530	2 690
<b>Financial assets at amortised cost</b>			
Receivables	(1)	127	579
<b>Total financial assets</b>		<b>3 657</b>	<b>3 269</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost</b>			
Payables	(1)	162	106
<b>Total financial liabilities</b>		<b>162</b>	<b>106</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).