

History Trust of South Australia

Financial report
for the year ended
30 June 2019



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To the Chair History Trust of South Australia

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 17(3) of the *History Trust of South Australia Act 1981*, I have audited the financial report of the History Trust of South Australia (the Trust) and the consolidated entity comprising the History Trust of South Australia and its controlled entities 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 History Trust of South Australia and its controlled entities 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 a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair, Chief Executive Officer and the Manager, Corporate 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 Trust 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 Chief Executive Officer and members of the trust for the financial report

The Chief Executive Officer 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 Trust 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 History Trust 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 Chief Executive Officer

- 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 Chief Executive Officer and members of the Trust 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

27 September 2019

History Trust of South Australia

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the History Trust of South Australia:

- comply with relevant Treasurer's instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Trust; and
- present a true and fair view of the financial position of the History Trust of South Australia as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the History Trust of South Australia for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.


D Tims
Manager, Corporate Services
HISTORY TRUST OF SOUTH AUSTRALIA

26 / 9 / 2019


G Mackie OAM
Chief Executive Officer
HISTORY TRUST OF SOUTH AUSTRALIA

26 / 9 / 2019


E Ho OAM
Chair
HISTORY TRUST OF SOUTH AUSTRALIA

27 / 9 / 2019

History Trust of South Australia

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note No.	Consolidated		HTSA	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Expenses					
Employee benefits expenses	2.3	2 954	7 279	2 912	7 242
Supplies and services	3.1	3 745	3 746	3 707	3 728
Depreciation expenses	3.2	679	667	679	667
Grant payments	3.3	206	222	206	222
Net loss from the disposal of non-current assets	3.4	-	75	-	75
Total expenses		7 584	11 989	7 504	11 934
Income					
Fees and charges	4.1	1 406	1 622	1 406	1 618
Grants	4.2	885	436	885	436
Interest	4.3	94	86	76	68
Resources received free of charge	4.4	549	428	549	428
Donations	4.5	140	194	95	136
Other income	4.6	241	175	241	175
Total income		3 315	2 941	3 252	2 861
Net cost of providing services		(4 269)	(9 048)	(4 252)	(9 073)
Revenues from / (payments to) SA Government					
Revenue from SA Government – recurrent operating grant		6 148	6 529	6 148	6 529
Revenue from SA Government – capital grant		76	-	76	-
Total revenues from SA Government		6 224	6 529	6 224	6 529
Net result		1 955	(2 519)	1 972	(2 544)
Other comprehensive income					
Items that will not be reclassified to net result:					
Gain/(loss) on revaluation of heritage collections		-	70	-	70
Total other comprehensive income		-	70	-	70
Total comprehensive result		1 955	(2 449)	1 972	(2 474)

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

History Trust of South Australia

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note No.	Consolidated		HTSA	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current assets					
Cash and cash equivalents	5.1	4 997	4 827	3 655	3 467
Receivables	5.2	251	68	250	66
Inventories		104	107	104	107
Total current assets		5 352	5 002	4 009	3 640
Non-current assets					
Receivables	5.2	-	84	-	84
Property, plant and equipment	6.1	15 529	16 055	15 529	16 055
Heritage collections	6.1	19 411	19 366	19 411	19 366
Total non-current assets		34 940	35 505	34 940	35 505
Total assets		40 292	40 507	38 949	39 145
Current liabilities					
Payables	7.1	506	364	505	361
Employee benefits	2.4	727	906	727	906
Provisions	7.2	25	214	25	214
Other liabilities	7.3	60	60	60	60
Total current liabilities		1 318	1 544	1 317	1 541
Non-current liabilities					
Payables	7.1	90	64	90	64
Employee benefits	2.4	979	698	979	698
Provisions	7.2	27	2 278	27	2 278
Total non-current liabilities		1 096	3 040	1 096	3 040
Total liabilities		2 414	4 584	2 413	4 581
Net Assets		37 878	35 923	36 536	34 564
Equity					
Retained earnings		21 345	19 390	20 003	18 031
Asset revaluation surplus	8.1	16 533	16 533	16 533	16 533
Total Equity		37 878	35 923	36 536	34 564

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

History Trust of South Australia

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note No	Consolidated			HTSA		
		Asset Revaluation Surplus	Retained Earnings	Total	Asset Revaluation Surplus	Retained Earnings	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017		16 523	21 909	38 432	16 523	20 575	37 098
Error correction	6.1	(60)	-	(60)	(60)	-	(60)
Restate balance at 1 July 17		16 463	21 909	38 372	16 463	20 575	37 038
Net result for 2017-18		-	(2 519)	(2 519)	-	(2 544)	(2 544)
Gain/(Loss) on revaluation of heritage collections during 2017-18		70	-	70	70	-	70
Total comprehensive result for 2017-18		70	(2 519)	(2 449)	70	(2 544)	(2 474)
Balance at 30 June 2018		16 533	19 390	35 923	16 533	18 031	34 564
Net result for 2018-19		-	1 955	1 955	-	1 972	1 972
Balance at 30 June 2019		16 533	21 345	37 878	16 533	20 003	36 536

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

History Trust of South Australia

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note No.	Consolidated		HTSA	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities					
Cash outflows					
Employee benefit payments		(5 274)	(4 921)	(5 233)	(4 884)
Payments for supplies and services		(3 058)	(3 444)	(3 019)	(3 426)
Payments of grants		(206)	(222)	(206)	(222)
Cash (used in) operations		(8 538)	(8 587)	(8 458)	(8 532)
Cash inflows					
Fees and charges		1 433	1 700	1 433	1 696
Grants		775	326	775	326
Interest received		95	88	76	70
Donations		93	89	50	31
Other receipts		241	175	241	175
Cash generated from operations		2 637	2 378	2 575	2 298
Cash flows from SA Government					
Receipts from SA Government – recurrent operating grant		6 148	6 529	6 148	6 529
Receipts from SA Government – capital grant		76	-	76	-
Cash generated from SA Government		6 224	6 529	6 224	6 529
Net cash provided by (used in) operating activities		323	320	341	295
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(153)	(290)	(153)	(290)
Purchase of heritage collection		-	(250)	-	(250)
Net cash (used in) investing activities		(153)	(540)	(153)	(540)
Net increase in cash and cash equivalents		170	(220)	188	(245)
Cash and cash equivalents at the beginning of the 1 July		4 827	5 047	3 467	3 712
Cash and cash equivalents at the end of 30 June	5.1	4 997	4 827	3 655	3 467

The accompanying notes form part of these financial statements.

History Trust of South Australia

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NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THE HISTORY TRUST OF SOUTH AUSTRALIA

The History Trust of South Australia (the Trust) is a statutory authority established pursuant to the *History Trust of South Australia Act 1981*.

The Migration Museum Foundation Incorporated was registered in 1999-2000 and History Trust of South Australia Foundation Incorporated was registered during 2013-2014.

The financial statements have been prepared by combining the financial statements of all entities that comprise the consolidated entity being the Trust and the Migration Museum Foundation Incorporated and History Trust of South Australia Foundation Incorporated, in accordance with AASB 10 *Consolidated Financial Statements*. The controlled entities are:

Name of controlled entities	Place of incorporation
The Migration Museum Foundation Incorporated	Australia
The History Trust of South Australia Foundation Incorporated	Australia

In forming the view that both Foundations are controlled, the Trust considered its involvement with the entities and determined that its substantive rights give the Trust the current ability to direct the major relevant activities of the entities and the Trust is exposed or has rights to variable returns from its involvement as the entities contributes to the furtherance of the Trust's objective.

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

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 Trust adopted AASB9 – *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 note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.

The net amount of GST recoverable from, or payable to the Australian Taxation Office is not included as part of receivables or payables in the Statement of Financial Position as the Trust is a member of an approved GST group of which Arts South Australia, a division of the Department of Premier and Cabinet, is responsible for the remittance and collection of GST. There are no cash flows relating to GST transactions with the Australian Taxation Office in the Statement of Cash Flows.

1.2. Objectives and programs

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

The objectives of the History Trust of South Australia (the Trust) are to:

- raise the level of community and schools-based participation in the study and enjoyment of South Australian history and the preservation of its evidence;
- mount popular exhibitions, events and other public programs on South Australian history and actively involve the community in their research and preparation;
- preserve the state's collection of movable items;
- provide advice and assistance to museums, historical societies and authors.

The Trust is charged with the management of the Trust, as prescribed under the *History Trust of South Australia Act 1981*.

The Trust's principal source of funds consists of grants from the State Government.

1.3. Changes to the Trust

Due to a Machinery of Government the Trust moved under Department for Education effective date of transfer was 1 September 2018, however the Trust continue remain under Arts SA until 30 June 2019 for Financial Services matters.

2. BOARD AND EMPLOYEES

2.1 Key management personnel

Key management personnel of the Trust includes the Minister for Education, Board members and Chief Executive Officer who have responsibility for the strategic direction and management of the Trust. The compensation disclosed in this note excludes salaries and other benefits the Minister for Education receives.

Total compensation for the Trust's key management personnel was \$199 000.

Transactions with key management personnel and other related parties

The Trust is a statutory authority established pursuant to the *History Trust of South Australia Act 1981* and is a wholly owned and controlled entity of the Crown.

Related parties of the Trust include all key management personnel and their close family members and all Cabinet Minister and their close family members; and all other public authorities that are controlled and consolidated into the whole of government statements and other interests of the Government.

The Trust received business services and conservation service from public authorities free of charge as outlined in note 4.4. The Trust also has rental lease agreements in place with DEW and DPTI for the rental of office accommodation and storage facility. Rental expenses are outlined in note 3.1.

2.2 Remuneration of board members

Board members during the 2019 financial year the following persons held a position on the Trust;

Ms E Ho, OAM (Chair)	Mr M Lennon
Dr E Balan-Vnuk	Dr P Monteath
Mr J Den Hartog	Ms J Roache
Mr P Goers	Ms C Zollo

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

	Number of Board Members 2019	Number of Board Members 2018
\$1 to \$9 999	6	7
Total number of Board Members	6	7

The total remuneration received or receivable by members was \$5 000 (\$8 000). Remuneration of members reflects costs of sitting fees.

2.3 Employee benefits expenses

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	3 660	3 691	3 623	3 659
Targeted voluntary separation packages	200	-	200	-
Long service leave	261	136	261	136
Annual leave	381	312	381	312
Skills and experience retention leave	29	21	29	21
Superannuation	450	414	447	411
Payroll tax	210	197	208	195
Board fees	5	7	5	7
Workers compensation	(2 361)	2 311	(2 361)	2 311
Other employee related expenses	119	190	119	190
Total employee benefits expenses	2 954	7 279	2 912	7 242

Executive remuneration

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

	Number of employees 2019	Number of employees 2018
\$181 000 to \$201 000	1	1
Total number of employee	1	1

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs including salaries and wages, payment in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and other fringe benefits tax paid or payable in respect of those benefits.

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 2 (nil).

	2019 \$'000	2018 \$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	200	-
Leave paid to separated employees	98	-
Recovery from the Department of Treasury and Finance	(200)	-
Net cost to the Trust	98	-

2.4 Employee Benefits

	Consolidated		HTSA	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Accrued salaries and wages	79	108	79	108
Annual leave	453	493	453	493
Long service leave	173	286	173	286
Skills and experience retention leave	22	19	22	19
Total current employees benefits	727	906	727	906
Non-Current				
Long service leave	979	698	979	698
Total non-current employees benefits	979	698	979	698
Total employees benefits	1 706	1 604	1 706	1 604
Total employees benefits and on-costs	1 910	1 791	1 910	1 791

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

Salaries, 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 is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of 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 employees up to the end of the reporting period using the projected unit credit method. Details about the measurements of long service leave liability is provided as note 11.1.

3. EXPENSES

3.1 Supplies and services

	Consolidated		HTSA	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Accommodation	478	525	478	525
Building maintenance	498	504	495	497
Business Services Charges	98	98	98	98
Communication and stationery	267	266	266	263
Conservation	451	331	451	331
Cost of goods sold	152	139	152	139
Exhibitions and collections	311	390	284	388
Information technology	327	237	327	237
Insurance & risk management	90	92	90	92
Marketing and promotion	243	181	242	181
Minor equipment	78	175	76	174
Operating leases payments	266	266	266	266
Professional fees	96	62	94	60
Projects	89	79	89	77
Travel	63	105	63	105
Other	238	296	236	295
Total supplies and services	3 745	3 746	3 707	3 728

Operating Leases payments

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Consultant

One Consultant was engaged and the dollar amount paid to consultants that fell in the following band:

	2019		2018	
	No	\$'000	No	\$'000
\$10,000 or above	1	12	-	-
Total Consultant	1	12	-	-

3.2 Depreciation expenses

	Consolidated		HTSA	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Buildings and improvements	583	596	583	596
Plant and equipment	96	71	96	71
Total depreciation expenses	679	667	679	667

All non-current assets, which have limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to assets such as property, plant and equipment.

Land and non-current assets held for sale are not depreciated

Heritage collections have unlimited 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 methods are review 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:

Class of asset	Useful life (years)
Buildings and Improvements	20 to 100
Plant and Equipment	3 to 15

3.3 Grants Payments

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
South Australian History Fund	73	61	73	61
Community Museums Program	133	161	133	161
Total grant payments	206	222	206	222

3.4 Net loss from the disposal of non-current assets

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Heritage collection				
Proceeds from disposal	-	-	-	-
Less net book value of assets disposed	-	75	-	75
Total Net loss from disposal of assets	-	75	-	75

4. INCOME

4.1 Fees and Charges

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Fees and charges				
Admissions and Tours	1 034	1 071	1 034	1 071
Facilities and rent	77	67	77	63
Sales of goods	265	213	265	213
Fees for services	45	111	45	111
Workers compensation recoup recoverable	(92)	88	(92)	88
Other Sales	77	72	77	72
Total Fees and charges	1 406	1 622	1 406	1 618

Admissions and Tours revenue is recognized upon receipt.

4.2 Grants

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Commonwealth Government	2	205	2	205
State Government	787	217	787	217
Other external	96	14	96	14
Total grants	885	436	885	436

Grant revenue is recognised when the enforceable stipulations specified in the agreement occur or are satisfied.

4.3 Interest

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest on deposit with Treasurer	94	86	76	68
Total interest revenues	94	86	76	68

4.4 Resources received free of charge

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Artlab Conservation	451	331	451	331
Business Services	98	97	98	97
Total resources received free of charge	549	428	549	428

4.5 Donations

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Donated heritage assets	45	105	45	105
Donations	95	89	50	31
Total Donations	140	194	95	136

4.6 Other income

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Sponsorship	195	122	195	122
Other receipts	46	53	46	53
Total other income	241	175	241	175

5. FINANCIAL ASSETS

5.1. Cash and Cash Equivalent

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Deposits with the Treasurer	4 988	4 816	3 646	3 456
Cash on hand	9	11	9	11
Cash as recorded in the Statements of Financial Position	4 997	4 827	3 655	3 467

Deposits with Treasurer

Deposits with the Treasurer are funds held in the "History Trust 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*.

Cash on hand

Cash on hand includes petty cash, floats, advance accounts and cash in transit.

5.2. Receivables

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Debtors	227	55	226	55
Accrued revenue	6	5	6	3
Prepayment	18	-	18	-
Workers compensation recoveries	-	8	-	8
Total current receivables	251	68	250	66
Non-Current				
Workers compensation recoveries	-	84	-	84
Total current receivables	-	84	-	84
Total receivables	251	152	250	150

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued income are non-interest bearing.

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

6. NON-FINANCIAL ASSETS

6.1. Property, plant and equipment and heritage collections

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Land, buildings and improvements				
Land at fair value	3 350	3 350	3 350	3 350
Buildings and improvements at fair value	39 608	39 586	39 608	39 586
Work in Progress	20	-	20	-
Accumulated Depreciation	(27 838)	(27 255)	(27 838)	(27 255)
Total land, buildings and improvements	15 140	15 681	15 140	15 681
Plant and equipment				
Plant and equipment at cost (deemed fair value)	742	717	743	717
Accumulated depreciation	(353)	(343)	(354)	(343)
Total plant and equipment	389	374	389	374
Total property, plant and equipment	15 529	16 055	15 529	16 055
Total heritage collections	19 411	19 426	19 411	19 426
Total property, plant and equipment and heritage collections	34 940	35 481	34 940	35 481

Property, plant and equipment with a value equal to or in excess of \$5,000 are capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 11.

Impairment

All non-current assets have been tested for indication of impairment at reporting date. Where there is 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.

There were no indications of impairment as at 30 June 2019

Reconciliation of property, plant and equipment 2019

	Land	Buildings & Improvements	Plant & Equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	3 350	12 331	374	16 055
Additions	-	22	111	133
Works in Progress	-	20	-	20
Depreciation expense	-	(583)	(96)	(679)
Carrying amount at 30 June	3 350	11 790	389	15 529

Reconciliation of heritage collections

	2019
	\$'000
Carrying amount at 1 July	19 426
Prior period error	(60)
Adjusted carrying amount at 1 July	19 366
Donated heritage assets	45
Carrying amount at 30 June	19 411

The Migration Museum heritage assets are a collection of documents, objects and costumes which record the settlement and migration history of South Australia. The collection provides an important social record of the clothing, stories and lives of many South Australians including Colonel William Light's Plan of Adelaide.

The Directorate Collection includes objects significant to South Australian history, including industrial, health, working and domestic life. It includes objects from the former Glenside Hospital and items documenting South Australian manufacturer Simpsons.

The South Australian Maritime Museum and its assets document maritime and waterway history. The collection includes figure heads, vessels and historical objects relating to ports, seafaring and maritime industries.

The National Motor Museum assets comprise a large collection of cars, motorcycles and commercial vehicles, many of which are vintage, veteran and classic vehicles. It also features a number of historically significant cars made in South Australia, including the first self-propelled vehicle built in the state known as the Shearer steam carriage.

In 2016-17 a vehicle was incorrectly revalued resulting in a \$60,000 overstatement of heritage assets. The error has been adjusted.

7. LIABILITIES

Employee benefits liabilities are disclosed in note 3.1

7.1. Payable

	Consolidated		HTSA	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Creditors	232	102	231	102
Accrued expenses	159	139	159	136
Employee benefit on-costs	115	123	115	123
Total current payables	506	364	505	361
Non-current				
Employee benefit on-costs	90	64	90	64
Total non-current payables	90	64	90	64
Total payables	596	428	595	425

Creditors and accruals are raised for all amounts bill but unpaid. Sundry creditors are normally settled within 30 days for the date the invoices is first received.

Employee benefit on-costs include payroll tax and superannuation contributions and are settled when the respective staff benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave is unchanged from the 2018 rate of 41% and the average factor for the calculation of employer superannuation on-cost has also changed from the 2018 rate 9.9% to 9.8%. These rates are used in the employment on-cost calculation. The financial effect of the change in employee on-costs and employee benefits expense is immaterial.

7.2. Provisions

	Consolidated		HTSA	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Provision for workers compensation	25	214	25	214
Total current provisions	25	214	25	214
Non-current				
Provision for workers compensation	23	2 278	23	2 278
Additional compensation	4	-	4	-
Total non-current provisions	27	2 278	27	2 278
Total provisions	52	2 492	52	2 492
Reconciliation of the provision for workers compensation				
Provision at the beginning of the financial year	2 492	239	2 492	239
(decrease)/increase in provision during the year	(2 440)	2 253	(2 440)	2 253
Provision for workers compensation at the end of the financial year	52	2 492	52	2 492

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office of the Commissioner for the Public Sector.

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* at the present value of the expenditure expected to be required to settle obligations incurred as at 30 June. The liability comprises an estimated for known claims and an estimated of incurred but not reported (IBNR) applications. No risk margin is included in this estimate.

7.3. OTHER LIABILITIES

	Consolidated		HTSA	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Loan	60	60	60	60
Total other liabilities	60	60	60	60

This is an unsecured loan which does not bear interest. In March the Trust entered into an agreement with the Bay to Birdwood Run Committee to support the Bay to Birdwood event. Funds are due for repayment in December 2019.

8. OTHER DISCLOSURES

8.1. Equity

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

9. CHANGES IN ACCOUNTING POLICY

9.1. Treasurer's Instructions (Accounting Policy Statements)

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

- Purpose Score
- General Purpose Financial Statement 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.
- Removal of the additional requirement to report a statement of equity for administer items.
- Increasing the bands from \$10,000 to \$20,000 for employee and board members reporting.

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

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

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. The adoption of AASB9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in financial statements.

As part of the adoption of AASB9, the Trust adopted consequential amendments to other accounting standards and the Treasurer's Instruction (Accounting Policy Statements) arising from the issue of AASB 9 as follows:

- *AASB 7 Financial Instruments*: Disclosure requires amended disclosure due to changes arising from AASB9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions the Treasurer's Instructions (Accounting Policy Statements), AASB 9 Financial Instruments was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classifications and measurements are recognized in retained earnings at 1 July 2018.

The adoption of AASB9 has had a nil an effect on the recognition, measurements or classification of financial liabilities.

10. OUTLOOK

10.1. Unrecognised contractual commitments

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

Capital commitments

Commitments under non-cancellable operating leases at the reporting date and not recognised as liabilities in the financial statements, are payable as follows:

	2019 \$'000	2018 \$'000
Within one year	106	-
Total capital commitments	106	-

The Trust's capital commitments are for Department for planning, transport and infrastructure.

Operating lease commitments

Commitments under non-cancellable operating leases at the reporting date and not recognised as liabilities in the financial statements, are payable as follows:

	2019 \$'000	2018 \$'000
Within one year	221	195
Later than one year and not longer than five years	557	627
Later than five year	-	137
Total operating lease commitments	778	959

The operating lease commitments comprise of motor vehicle leases with terms ranging up to three years and office accommodation leases from Department of Planning, Transport and Infrastructure (DPTI) with terms of between two to five years.

Other commitments

Commitments under non-cancellable other commitments at the reporting date and not recognised as liabilities in the financial statements, are payable as follows:

	2019 \$'000	2018 \$'000
Within one year	114	127
Total other commitments	114	127

The other commitments comprise of cleaning contracts with term up to twelve months.

10.2. Contingent assets and liabilities

There are no known contingent assets and liabilities as at 30 June 2019.

10.3. Impact of standards and statements not yet effective

AASB 16 – Leases

The Trust will adopt AASB 16 – Leases from 1 July 2019.

Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases* and Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 *Operating Leases – Incentives* and Interpretation, and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact on 2019-20 financial statements

The Trust has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Department has estimated the impact of this change and the results as at 1 July 2019. The amounts disclosed are current estimates only. The Department is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases. The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Department prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below

	as at 1 July 2019 \$'000
Assets	
Right-of-use assets	642
Liabilities	
Lease liabilities	(642)
Net impact on equity	-

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with a depreciation expense that represents the use of the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	as at 1 July 2019 \$'000
Depreciation	124
Supplies and services	(193)
Borrowing costs	9
Net impact on net cost of providing services	(60)

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the department must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the Trust will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that the Trust will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

10.4. Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Trust, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust in subsequent financial years.

11. MEASUREMENT AND RISK

11.1. Long service leave liability - measurement

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

The actuarial assessment performed by the Department of Treasury and Finance 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 employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB119 *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 decreased from 2018 2.5% to 2019 1.25 %.

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

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability. As a result there is no net financial effect resulting from changes in the salary information rate.

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

11.2. 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 principle or most advantageous market, at the measurement date.

Acquisition and recognition

Non-current 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 their fair value in the Statement of Financial Position.

Revaluation

Land, buildings and heritage collections are revalued every six years. However, 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 assets that are acquired between revaluations are held at cost until the next valuation, where they are then revalued to fair value.

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

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

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income.

Any revaluation decrease is recognised in the Statement of Comprehensive Income, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

Valuation of land and buildings

Land and buildings have been valued at fair value. Independent valuations of land and buildings were determined as at 30 June 2014 by Fred Taormina, Valcorp Australia Pty Ltd.

Plant and equipment

All items of plant and equipment had a 'fair value at the time of acquisition that was less than \$1.5 million and had an estimated useful life that less than three years' – Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Heritage collections

The heritage collections are large and diverse. They include many items that are complex to value given considerations of market value and their unique representation of South Australia's social history.

The heritage collections were revalued in full as follows:

- | | | |
|---|-----------------|---|
| • National Motor Museum Collection | 30 June 2017 by | Cameron Dunsford (Aon Global Risk Consulting) |
| • South Australian Maritime Museum Collection | 30 June 2017 by | James Munroe (Aon Global Risk Consulting) |
| • Migration Museum Collection | 30 June 2017 by | James Munroe (Aon Global Risk Consulting) |

At times certain assets have been valued as part of these collections when deemed required by management:

- | | | |
|------------------------------------|-----------------|---|
| • National Motor Museum Collection | 30 June 2018 by | Antony Davies and Paul Blank |
| • Directorate | 30 June 2018 by | James Munroe (Aon Global Risk Consulting) |
| • Directorate | 30 June 2016 by | James Munroe (Aon Global Risk Consulting) |
| • Directorate | 30 June 2015 by | Kenneth J Rayment (Rayment and Associates) and Leonard Millar |

These valuers specialise in the valuation of heritage collections.

Donated heritage assets are initially recognised at their fair value, as income (note 4.5) and as an asset in heritage collections. These assets are classified in level 3 as there is no active market. Fair value was determined by estimating the cost based on the limited market information available for similar heritage assets.

12. FINANCIAL INSTRUMENTS/FINANCIAL RISK MANAGEMENT

Financial risk management

Risk Management is managed by the Trust. The Trust's risk management policies are in accordance with the *Risk Management Policy Statement* used by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Trust's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and current assessments of risk.

The Trust was funded principally from grants from Arts South Australia, a division of the Department of Premier and Cabinet however due to a Machinery of Government change the Trust transferred to Department for Education from 1 September 2018 received remaining grants due from Department for Education.

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 assets, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.