

Museum Board

Financial report
for the year ended
30 June 2018



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To the Chair Museum Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 16(3) of the *South Australian Museum Act 1976*, I have audited the financial report of the Museum Board for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Museum Board as at 30 June 2018, its financial performance and its 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 financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Museum Board and the Manager Corporate Services and the Director, South Australian Museum.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Museum Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants 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, South Australian Museum and the Museum Board for the financial report

The Director, South Australian Museum 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 Museum 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, South Australian Museum
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director, South Australian Museum 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.

A handwritten signature in black ink, appearing to read 'A Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

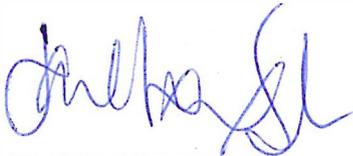
27 September 2018

Museum Board
Certification of the Financial Statements
for the year ended 30 June 2018

We certify that the attached general purpose financial statements for the Museum Board:

- 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 Museum Board
- present a true and fair view of the financial position of the Museum Board as at 30 June 2018 and the results of its operations and cash flows for the financial year.

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



Dr Jane Lomax-Smith
Chair
25 September 2018



Brian Oldman
Director
26 September 2018



Brenton Macdonald
Manager Corporate Services
25 September 2018

Museum Board

Financial Statements

For the year ended 30 June 2018

Museum Board
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Staff benefits expense	3	8 599	8 561
Supplies and services	5	4 639	4 822
Accommodation and facilities	6	3 182	2 810
Depreciation and amortisation expenses	7	2 183	2 167
Grants expense		144	97
Total expenses		18 747	18 457
Income			
Grant income	9	1 425	1 167
Fees and charges	10	1 122	468
Sponsorships	11	127	311
Interest and investment income	12	174	137
Resources received free of charge	13	570	663
Sale of goods		1 676	1 425
Donations and bequests		467	571
Donations of heritage assets		937	558
Recoveries		23	30
Net gain from the disposal of non-current assets	8	25	6
Other income	14	390	574
Total income		6 936	5 910
Net cost of providing services		11 811	12 547
Revenues from SA Government			
Recurrent operating grant		11 901	11 132
Capital grant		169	488
Total revenues from SA Government	15	12 070	11 620
Net result		259	(927)
Other comprehensive income:			
Items that will not be reclassified to net result			
Change in asset revaluation surplus	21	-	4 416
Total other comprehensive income		-	4 416
Total comprehensive result		259	3 489

The net result and total comprehensive result are attributable to the SA Government as owner.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Museum Board
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash	16	4 741	3 440
Receivables	17	845	881
Inventories		123	136
Total current assets		5 709	4 457
Non-current assets			
Receivables	17	11	4
Property, plant and equipment	19	35 985	37 899
Intangibles	20	60	86
Heritage collections	21	294 589	293 627
Investments	22	1 814	1 823
Total non-current assets		332 459	333 439
Total assets		338 168	337 896
Current liabilities			
Payables	23	1 164	888
Staff benefits	24	825	985
Provisions	25	12	16
Total current liabilities		2 001	1 889
Non-current liabilities			
Payables	23	161	320
Staff benefits	24	1 746	1 676
Provisions	25	19	29
Total non-current liabilities		1 926	2 025
Total liabilities		3 927	3 914
Net assets		334 241	333 982
Equity			
Asset revaluation surplus		196 120	196 120
Retained earnings		138 121	137 862
Total equity		334 241	333 982

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments

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The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Museum Board
Statement of Changes in Equity
for the year ended 30 June 2018

	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2016	191 704	138 789	330,493
Net result for 2016-17	-	(927)	(927)
Changes in asset revaluation surplus	4 416	-	4,416
Total comprehensive result for 2016-17	4 416	(927)	3 489
Balance at 30 June 2017	196 120	137 862	333 982
Net result for 2017-18	-	259	259
Total comprehensive result for 2017-18	-	259	259
Balance at 30 June 2018	196 120	138 121	334 241

All changes in equity are attributable to the SA Government as owner.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Museum Board
Statement of Cash Flows
for the year ended 30 June 2018

		2018 \$'000	2017 \$'000
		(Outflows) Inflows	(Outflows) Inflows
<u>Cash flows from operating activities</u>	Note		
Cash outflows			
Payments for staff benefits		(8 711)	(8 556)
Payments for supplies and services		(3 944)	(4 078)
Accommodation and facilities		(3 182)	(2 810)
Grant payments		(144)	(97)
GST payments to the ATO		(146)	(59)
Cash used in operations		<u>(16 127)</u>	<u>(15 600)</u>
Cash inflows			
Sale of goods		1 676	1 431
Grant contributions		1 425	1 167
Donations and bequests		467	571
Fees and charges		1 112	468
Sponsorships		127	311
Interest and investment income		162	114
Recoveries		23	30
Other		600	687
Cash generated from operations		<u>5 592</u>	<u>4 779</u>
Cash flows from SA government			
Recurrent operating grant		11 901	11 132
Capital grant		169	488
Cash generated from SA government		<u>12 070</u>	<u>11 620</u>
Net cash provided by operating activities		<u>1 535</u>	<u>799</u>
<u>Cash flows from investing activities</u>			
Cash inflows			
Proceeds from sale of investments		1 527	-
Cash generated from investing activities		<u>1 527</u>	<u>-</u>
Cash outflows			
Purchases of heritage collections		(25)	(512)
Purchases of property, plant and equipment and intangibles		(243)	(510)
Purchases of investments		(1 493)	(161)
Cash used in investing activities		<u>(1 761)</u>	<u>(1 183)</u>
Net cash used in investing activities		<u>(234)</u>	<u>(1 183)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1 301</u>	<u>(384)</u>
Cash and cash equivalents at the beginning of the period		3 440	3 824
Cash and cash equivalents at the end of the period	16	<u>4 741</u>	<u>3 440</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Museum Board

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The Museum Board (the Board) is a statutory authority of the State of South Australia, constituted pursuant to section 3 of the *South Australian Museum Act 1976*. The Board is charged with the management of the South Australian Museum (the Museum) under the Act.

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

In forming the view that the SA Museum Foundation Incorporated and SA Museum Foundation Fund (the 'entities') are controlled, the Board considered its involvement with the entities and determined that its substantive rights give them the current ability to direct the major relevant activities of the entities and is exposed or has rights to variable returns from its involvement, contributing to the furtherance of the Board's objectives.

The activities of the entities are not material and therefore a full consolidated presentation has not been adopted.

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

1.2 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2018.

1.3 Basis of preparation

The financial statements have been prepared based on a 12 month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

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

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

Significant accounting policies are set out in the notes.

1.4 Taxation

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

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

1.4 Taxation (continued)

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

- when the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

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

2 Objectives

The functions of the Museum Board (the Board), as prescribed under the *South Australian Museum Act 1976*, are as follows:

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

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

3 Staff benefits expense

	2018	2017
	\$'000	\$'000
Salaries and wages	6 404	6 436
Staff on-costs - superannuation*	694	684
Annual leave	524	561
Staff on-costs - other	352	354
Long service leave	147	108
Targeted Voluntary Separation Packages	239	70
Salaries charged externally	110	208
Skills and experience retention leave	31	36
Board fees	23	17
Other staff related expenses	75	87
Total staff benefits expense	8 599	8 561

* The superannuation employment on-cost charge represents the board's contributions to superannuation plans in respect of current services of current staff.

Targeted Voluntary Separation Packages (TVSP)

	2018	2017
	\$'000	\$'000
Amounts paid during the reporting period to separated staff		
TVSPs paid	288	-
Annual leave, LSL and SERL paid to those staff	35	-
Net cost to the Board	323	-

The number of staff who received a TVSP during the reporting period was: 4 -

Key management personnel

Key management personnel of the Board include the Premier of the State of South Australia as responsible Minister for the Arts, the members of the Museum Board and the Director of the South Australian Museum, all who have responsibility for the strategic direction and management of the Board.

Total compensation for the Board's key management personnel \$304 000 (2017: \$300 000). Salaries and other benefits the Premier receives are excluded from this total. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

Remuneration of staff

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

	2018	2017
\$279 001 - \$289 000	1	1
Total	1	1

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

3 Staff benefits expense (continued)

Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these staff for the year was \$283 000 (2017: \$281 000).

4 Remuneration of board and committee members

Members that were entitled to receive remuneration during the 2017-18 financial year were:

Museum Board

The Hon Dr J Lomax-Smith AM (Chair)
Prof D Adelson
AJ Duthie
SY Edwards
P Hanlon
A Noble
R Perkins
D Rathman AM PSM
TA Whiting

Aboriginal Advisory Committee

D Rathman AM PSM (Chair)
FH Lampard OAM
S Miller
T Sansbury

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

	2018	2017
\$0 - \$9 999	9	11
Total number of members	9	11

Remuneration of board members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by the members was \$24 000 (2017: \$14 000).

Members of the Museum Foundation Board did not receive remuneration in 2017-18 or 2016-17.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

5 Supplies and services

	2018	2017
	\$'000	\$'000
Marketing	404	555
Cost of goods sold	606	521
Administration	221	426
Artlab conservation work	366	358
Insurance and risk	334	357
Exhibitions	489	348
Information technology	385	322
Travel and accommodation	139	280
Research	433	263
Business services charge	204	238
Collections	162	208
Contractors	97	111
Maintenance	143	79
Motor vehicle expenses	58	77
Audit fees	68	57
Minor equipment	31	46
Consultants	133	44
Fees	18	40
Hire, rent and equipment	27	31
OHS&W	28	18
Bad and doubtful debts	-	12
Legal Fees	25	6
Other	268	425
Total supplies and services	4 639	4 822

Consultants

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

	2018	2018	2017	2017
	Number	\$'000	Number	\$'000
Below \$10 000	15	65	14	29
\$10 000 or above	5	68	1	15
Total paid / payable to the consultants engaged	20	133	15	44

6 Accommodation and facilities

	2018	2017
	\$'000	\$'000
Facilities	1 099	1 052
Electricity and gas	660	369
Security	1 010	942
Accommodation	413	447
Total accommodation and facilities	3 182	2 810

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

7 Depreciation and amortisation expense

	2018 \$'000	2017 \$'000
Depreciation		
Buildings and improvements	1 480	1,480
Plant and equipment	676	659
Computer equipment	1	3
Total depreciation	<u>2 157</u>	<u>2 142</u>
Amortisation		
Intangibles	26	25
Total amortisation	<u>26</u>	<u>25</u>
Total depreciation and amortisation	<u>2 183</u>	<u>2 167</u>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Land and heritage collections are not depreciated.

Useful Life

Depreciation/amortisation 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	15-100
<i>Plant and equipment</i>	
Exhibition	10
Other	3-25
Computer equipment	3-5
Intangibles	5-10

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

Heritage collections are kept under special conditions so that there is no physical deterioration and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

Revision of accounting estimates

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful 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, which is a change in accounting estimate.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

8 Net gain from the disposal of non-current assets

	2018	2017
	\$'000	\$'000
Investments		
Proceeds from disposal	1 527	-
Less net book value of assets disposed	(1 502)	-
Net gain from disposal of investments	<u>25</u>	<u>-</u>
Plant and equipment		
Proceeds from disposal	-	6
Net gain from disposal of plant and equipment	<u>-</u>	<u>6</u>
Total assets		
Proceeds from disposal	1 527	6
Less net book value of assets disposed	(1 502)	-
Total net gain from disposal of non-current assets	<u>25</u>	<u>6</u>

9 Grant income

	2018	2017
	\$'000	\$'000
Commonwealth	844	548
General	405	341
State Government	176	278
Total grants	<u>1 425</u>	<u>1 167</u>

10 Fees and charges

	2018	2017
	\$'000	\$'000
Admissions	635	266
Functions	296	82
Fees for service	177	83
Other	14	37
Total fees and charges	<u>1 122</u>	<u>468</u>

11 Sponsorships

	2018	2017
	\$'000	\$'000
Cash sponsorships	127	311
Total sponsorships	<u>127</u>	<u>311</u>

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

12 Interest and investment income

	2018	2017
	\$'000	\$'000
Investment income	111	81
Interest	63	56
Total interest and investment income	174	137

Interest revenue is recognised taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been established.

13 Resources received free of charge

	2018	2017
	\$'000	\$'000
Artlab conservation work	366	358
Business services	204	305
Total resources received free of charge	570	663

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

Under an arrangement with Arts South Australia and Artlab Australia, both divisions of the Department of State Development (DSD), Artlab Australia receives SA Government appropriation to perform conservation services on the Board's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount included as conservation work expenditure in note 5 Supplies and services.

On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2017-18, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies.

Under AASB 1004, Contributions, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements in Supplies and services note 5.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

14 Other income

	2018	2017
	\$'000	\$'000
Exhibition hire	55	135
Lab consumable recharge	53	97
Competition entry fees	-	47
Commission and royalties	7	-
Other	275	295
Total other income	390	574

15 Revenues from SA Government

	2018	2017
	\$'000	\$'000
Revenues from SA Government		
Recurrent operating grant	11 901	11 132
Capital grant	169	488
Total revenues from SA Government	12 070	11 620

16 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	1 501	1 005
Term deposits	608	500
Cash on hand	12	7
Deposits with banks	2 620	1 928
Total cash and cash equivalents	4 741	3 440

Cash is measured at nominal amounts.

Deposits with the Treasurer

Deposits with the Treasurer are a combination of funds held in the "Museum Board Account", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987*, and funds held in the Arts South Australia Operating Account. This account is held with the Treasurer of South Australia pursuant to section 8 of the *Public Finance and Audit Act 1987*. There are stipulated restrictions on the use of the Zimmerman Bequest component of the cash funds available \$111 000 (2017: \$109 000) and the Bonython Bequest component of the cash funds available \$22 000 (2017: \$22 000).

Cash other

Cash other is term deposits, cash held for investments by Hood Sweeney with Macquarie Bank and cash held by the SA Museum Foundation Incorporated and SA Museum Foundation Fund. There are restrictions in place for the cash accounts for Norman B Tindale Memorial, Mawson Collection, Thyne Reid and High Noon \$575 000 (2017: \$507 000).

Interest rate risk

Interest is calculated based on the average daily balances of the interest bearing funds. The interest bearing funds of the Board are held in the section 21 interest bearing account titled the "Museum Board Account" and in the accounts identified in cash other.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

17 Receivables

	2018	2017
	\$'000	\$'000
Current		
Receivables	348	558
Less allowance for doubtful debts	(28)	(37)
GST receivable	419	273
Accrued income	68	56
Prepayments	38	31
Total current receivables	845	881
Non-current		
Accrued revenue	1	-
Prepayments	10	4
Total non-current receivables	11	4
Total receivables	856	885

Receivables arise in the normal course of selling goods and services to the public and other government agencies. 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 income are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt.

Movement in the allowance for doubtful debts

The allowance for doubtful debts is recognised when there is objective evidence that a receivable is impaired. Bad and doubtful debts expense has been recognised in supplies and services in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movement in the allowance for doubtful debts (impairment loss)

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	37	35
Increase/(decrease) in the allowance	(9)	2
Carrying amount at the end of the period	28	37

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

18 Non-current assets

Acquisition and recognition

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given the consideration plus costs incidental to the acquisition. Assets donated during the year have been brought to account at fair value.

All non-current assets with a value of \$10 000 or greater are capitalised.

Revaluation of non-current assets

All non-current tangible assets are held at fair value and a revaluation of non-current assets or a group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Land and buildings and heritage collections are re-valued at least every six years. If at any time management considers 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, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Fair value measurement – non-financial assets

In determining fair value, the Board has taken into account the characteristics of the asset and the asset's highest and best use.

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

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

19 Property, plant and equipment

	2018	2017
	\$'000	\$'000
Land, buildings and improvements		
Land at fair value	5 300	5 300
Buildings and improvements at fair value	73 881	73 881
Accumulated depreciation	<u>(47 187)</u>	<u>(45 707)</u>
Total land, buildings and improvements	<u>31 994</u>	<u>33 474</u>
Plant and equipment		
Plant and equipment at cost (deemed fair value)	10 078	9 835
Accumulated depreciation	<u>(6 087)</u>	<u>(5 411)</u>
Total plant and equipment	<u>3 991</u>	<u>4 424</u>
Computer equipment		
Computer equipment at cost (deemed fair value)	48	48
Accumulated depreciation	<u>(48)</u>	<u>(47)</u>
Total computer equipment	<u>-</u>	<u>1</u>
Total property, plant and equipment	<u>35 985</u>	<u>37 899</u>

Land and buildings

Land and buildings have been valued at fair value. Valuations of land and buildings were determined as at 30 June 2014 by certified independent valuer Valcorp Australia Pty Ltd.

Plant and equipment

Plant and equipment, including computer equipment, has been deemed to be held at fair value on acquisition.

Impairment

The Board holds its property, plant and equipment, heritage collections, and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value. The Board also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

Reconciliation of land, buildings and improvements

The valuation of land and buildings was performed by a certified independent valuer from Valcorp Australia Pty Ltd as at 30 June 2014. The valuer arrived at fair value based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

19 Property, plant and equipment (continued)

	Buildings & Land improvements	Work in progress	Plant and equipment	Computer equipment	Total tangible assets	
2018	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount at the beginning of the period	5 300	28 174	-	4 424	1	37 899
Additions	-	-	243	-	-	243
Depreciation and amortisation	-	(1 480)	-	(676)	(1)	(2 157)
Transfer between asset classes	-	-	(243)	243	-	-
Carrying amount at the end of the period	5 300	26 694	-	3 991	-	35 985

	Buildings & Land improvements	Work in progress	Plant and equipment	Computer equipment	Total tangible assets	
2017	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount at the beginning of the period	5 300	29 654	-	4 595	4	39 553
Additions	-	-	488	-	-	488
Disposals	-	-	-	(35)	-	(35)
Accumulated depreciation on disposals	-	-	-	35	-	35
Depreciation and amortisation	-	(1 480)	-	(659)	(3)	(2 142)
Transfer between asset classes	-	-	(488)	488	-	-
Carrying amount at the end of the period	5 300	28 174	-	4 424	1	37 899

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

20 Intangible assets

	2018	2017
	\$'000	\$'000
Computer software	155	155
Accumulated amortisation	(95)	(69)
Total computer software	60	86
Total intangible assets	60	86

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Board only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Impairment

There were no indications of impairment of intangibles as at 30 June 2018.

21 Heritage collections

	2018	2017
	\$'000	\$'000
Entomology	53 418	53 418
Australian Aboriginal ethnology	35 165	35 140
Marine invertebrates	29 658	29 484
Foreign ethnology	26 984	26 980
Mineralogy	19 777	18 984
Archives/artwork	18 449	18 339
Mammalogy	16 496	16 310
Australian helminthological collection	16 092	16 025
Palaeontology	14 946	14 946
Archaeology	14 434	14 434
Ornithology	9 212	9 124
Australian polar collection	8 954	8 953
Australian biological tissue bank	6 587	6 586
Arachnology	6 320	6 320
Malacology	5 258	5 258
Herpetology	4 292	4 281
Rare books	4 260	4 260
Ichthyology	3 452	3 450
Social/industrial history	587	587
Collections on instalments	-	500
Public program collection	248	248
Total heritage collections	294 589	293 627

Museum Board
Notes to and forming part of the Financial Statements
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21 Heritage collections (continued)

Reconciliation of carrying amounts of heritage collections

	Opening balance	Additions	Transfers in	Revaluations	Closing balance
2018	\$'000	\$'000	\$'000	\$'000	\$'000
Entomology	53 418	-	-	-	53 418
Australian Aboriginal ethnology	35 140	25	-	-	35 165
Marine invertebrates	29 484	174	-	-	29 658
Foreign ethnology	26 980	4	-	-	26 984
Mineralogy	18 984	293	500	-	19 777
Archives/artwork	18 339	110	-	-	18 449
Mammalogy	16 310	186	-	-	16 496
Australian helminthological collection	16 025	67	-	-	16 092
Palaeontology	14 946	-	-	-	14 946
Archaeology	14 434	-	-	-	14 434
Ornithology	9 124	88	-	-	9 212
Australian polar collection	8 953	1	-	-	8 954
Australian biological tissue bank	6 586	1	-	-	6 587
Arachnology	6 320	-	-	-	6 320
Malacology	5 258	-	-	-	5 258
Herpetology	4 281	11	-	-	4 292
Rare books	4 260	-	-	-	4 260
Ichthyology	3 450	2	-	-	3 452
Social/industrial history	587	-	-	-	587
Collections on instalments	500	-	(500)	-	-
Public Program Collection	248	-	-	-	248
Carrying amount at the end of the period	293 627	962	-	-	294 589

The Board's heritage collections, except for the foreign archaeology, were revalued as at 30 June 2016 using the valuation methodology outlined below in accordance with fair value principles adopted under AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*. The foreign archaeology collection was revalued as at 30 June 2017.

These valuations were undertaken by Aon Risk Solutions.

The collections were broadly valued on the following basis:

Collection	Method of valuation
Heritage collections	Market approach
Natural history collections	Cost approach

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

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

Heritage collections deemed to have market value are Australian Aboriginal ethnology, foreign ethnology, Australian polar collection, social/industrial history collection, mineralogy, museum library, archives/artworks, rare books and public programs.

Museum Board
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21 Heritage collections (continued)

	Opening balance	Additions	Transfers in	Revaluations	Closing balance
2017	\$'000	\$'000	\$'000	\$'000	\$'000
Entomology	53 418	-	-	-	53 418
Australian Aboriginal ethnology	35 017	123	-	-	35 140
Marine invertebrates	29 332	152	-	-	29 484
Foreign ethnology	26 980	-	-	-	26 980
Mineralogy	18 789	195	-	-	18 984
Archives/artwork	18 339	-	-	-	18 339
Mammalogy	16 310	-	-	-	16 310
Australian helminthological collection	15 991	34	-	-	16 025
Palaeontology	14 932	14	-	-	14 946
Archaeology	10 018	-	-	4 416	14 434
Ornithology	9 103	21	-	-	9 124
Australian polar collection	8 953	-	-	-	8 953
Australian biological tissue bank	6 582	4	-	-	6 586
Arachnology	6 319	1	-	-	6 320
Malacology	5 258	-	-	-	5 258
Herpetology	4 270	11	-	-	4 281
Rare Books	4 260	-	-	-	4 260
Ichthyology	3 435	15	-	-	3 450
Social/industrial history	587	-	-	-	587
Collections on instalments	-	-	500	-	500
Public Program Collection	248	-	-	-	248
Carrying amount at the end of the period	288 141	570	500	4 416	293 627

Natural history collections valued at cost of recovery are the Australian biological tissue bank, marine invertebrates, malacology, ichthyology, palaeontology, arachnology, entomology, ornithology, the Australian helminthological collection, archaeology, mammalogy and herpetology.

The public programs collection is a new collection which was valued for the first time in the 30 June 2016 valuation. This collection consists of both the Waterhouse Art Prize collection and the ANZANG nature photography collection.

The valuations of heritage collections deemed to have market value were carried out by the following recognised industry experts:

Collection	Industry expert
Australian Aboriginal ethnology	D Davidson
Foreign ethnology	D Davidson
Australian polar collection	H Miller & P Tinslay
Archaeology	H Miller
Mineralogy	J Alford
Archives	H Miller & P Tinslay
Museum library	P Tinslay
Public programs	H Miller
Social/Industrial history	J Munroe

Museum Board
Notes to and forming part of the Financial Statements
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21 Heritage collections (continued)

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

22 Investments

	2018	2017
	\$'000	\$'000
Non-current		
Shares and other direct investments in companies		
Carrying amount at the beginning of period	1 823	1 662
Additions at book value	1 493	161
Disposals at book value	(1 502)	-
Total non-current investments	1 814	1 823
Total investments	1 814	1 823

Investments are brought to account at cost in accordance with Accounting Policy Framework IV *Financial Asset and Liability Framework* APS 2.1.

The market value of investments as at 30 June 2018 is \$1.8 million (2017: \$1.8 million).

Of the four investment accounts; Museum Board, Norman B Tindale, Memorial Mawson Collection and Thyne Reid - there are restrictions in place for Norman B Tindale Memorial, Mawson Collection and Thyne Reid relating to funds totalling \$1.1 million (2017: \$1.2 million).

23 Payables

	2018	2017
	\$'000	\$'000
Current		
Creditors and accruals	1 050	761
Staff on-costs	114	127
Total current payables	1 164	888
Non-current		
Creditors and accruals	-	166
Staff on-costs	161	154
Total non-current payables	161	320
Total payables	1 325	1 208

Staff on-costs include Payroll Tax, workcover levies and superannuation contributions. The Board makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

Museum Board
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23 Payables (continued)

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the percentage of the proportion of long service leave taken as leave in 2018 was 41% (2017: 40%). The average factor for the calculation of employer superannuation cost on-cost has decreased from the 2017 rate of 10.1% to 9.9%. These rates are used in the staff on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

24 Staff benefits liability

	2018	2017
	\$'000	\$'000
Current		
Annual leave	479	545
Long service leave	156	188
Accrued salaries and wages	118	180
Skills and experience retention leave	72	72
Total current staff benefits	825	985
Non-current		
Long service leave	1 746	1 676
Total non-current staff benefits	1 746	1 676
Total staff benefits	2 571	2 661

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

Salaries, wages, annual leave and skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the skills and experience retention leave liability in full is expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement 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 staff up to the end of the reporting period using the projected unit credit method.

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

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

Museum Board
Notes to and forming part of the Financial Statements
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24 Staff benefits liability (continued)

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds in 2018 has remained unchanged from 2017 at 2.5%.

The actuarial assessment performed by the DTF left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

25 Provisions

	2018	2017
	\$'000	\$'000
Current		
Provision for workers compensation	12	16
Total current provisions	12	16
Non-current		
Provision for workers compensation	19	29
Total non-current provisions	19	29
Total provisions	31	45
Reconciliation of the provision for workers compensation		
Provision at the beginning of the period	45	18
Additional provision recognised	26	48
Reductions resulting from settlement of claims	(40)	(21)
Reductions resulting from re-measurement or settlement without cost	-	-
Carrying amount at the end of the period	31	45

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is estimated cost of ongoing payments to staff as required under current legislation. The Board is responsible for the payment of workers' compensation claims.

Museum Board
Notes to and forming part of the Financial Statements
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26 Unrecognised contractual commitments

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

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

Operating lease commitments

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

	2018	2017
	\$'000	\$'000
Within one year	21	19
Later than one year but not later than five years	61	39
Total operating lease commitments	82	58

The operating lease commitments comprise non-cancellable motor vehicle leases, with rental payable monthly in arrears. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their terms.

Other commitments

	2018	2017
	\$'000	\$'000
No later than one year	1 365	1 222
Later than one year but not later than five years	2 379	1 068
Later than five years	340	-
Total other commitments	4 084	2 290

The Board's other commitments are for agreements for security and cleaning.

27 Related party disclosure

Related parties of the Board include all key management personnel and their close family members; the Premier of the State of South Australia as responsible Minister for the Arts, and his close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Transactions with key management personnel and other related parties

The Board received annual recurrent operating grant of \$11.901 million (2017: \$11.132 million) from Arts South Australia, a division of the Department of State Development. The operating grant is the primary source of revenue for the Board and disclosed under note 15 .

In addition, the Board receives business services including from Shared Services SA, formerly a division of the Department of the Premier and Cabinet, now Department of Treasury and Finance, and conservation services from Artlab Australia, a division of DSD. These services received free of charge are disclosed under note 13 .

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

Museum Board
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28 Financial risk management / financial instruments

Financial risk management

Risk management is managed by the Board's Audit Committee and 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 due to the nature of the financial instruments held.

Liquidity risk

The Board is funded principally from grants from Arts South Australia, a division of the Department of State Development. The Board works with Arts SA and the Department of Treasury and Finance 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.

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 and financial liability are disclosed in the respective financial asset / financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: held-to-maturity investments; loans and receivables; and financial liabilities measured at cost and fair value are detailed below.

Museum Board
Notes to and forming part of the Financial Statements
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28 Financial risk management / financial instruments (continued)

Category of financial asset and financial liability	Statement of Financial Position line item	Note	2018	
			Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	Cash	16	4 741	4 741
Loans and receivables	Receivables ⁽¹⁾⁽²⁾	17	807	779
Investments	Investments	22	1 814	1 838
Total financial assets			7,362	7,358
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	23	1 005	1 005
Total financial liabilities			1 005	1 005

Category of financial asset and financial liability	Statement of Financial Position line item	Note	2017	
			Carrying amount \$'000	Fair value \$'000
Financial assets				
Cash and cash equivalents	Cash	16	3 440	3 440
Loans and receivables	Receivables ⁽¹⁾⁽²⁾	17	548	511
Investments	Investments	22	1 823	1 806
Total financial assets			5,811	5,757
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	23	1 606	1 606
Total financial liabilities			1 606	1 606

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. 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 cost (not materially different from amortised cost).

(2) The receivables amount disclosed here, excludes prepayments. Prepayments are presented in note 17 as receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Museum Board
Notes to and forming part of the Financial Statements
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29 Impact of standards and statements not yet implemented

The Board has assessed the impact of:

- new and changed Australian Accounting Standards Board Standards and Interpretations not yet implemented
- changes to Accounting Policy Statements issued by the Treasurer.

AASB 9 *Financial instruments*

The revision to AASB 9 Financial Instruments applies to reporting periods beginning on or after 1 January 2018; that is to financial statements as 30 June 2019. AASB 9 *Financial Instruments* provides the principles for the classification, measurement, recognition, de-recognition and disclosure associated with financial assets and liabilities. The key changes include simplified requirements for classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

The Board has reviewed the impact of AASB 9 *Financial Instruments* on the classification and measurement of its financial assets. The following summarises the estimated impact to the categorisation and valuation of the amounts reported:

- Trade receivables and loan receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Board will be adopting the simplified approach under AASB 9 Financial Instruments and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision.
- The shares (\$1.694 million) and other direct investments (\$0.12 million) are currently recognised at cost, refer note 22. On adoption of AASB 9 *Financial Instruments*, the shares will be measured at fair value. These shares are held for strategic rather than financial purposes and the Board intends to make an irrevocable election on adoption of AASB 9 *Financial Instruments*, that each individual share will be categorised as Fair Value through Other Comprehensive Income (FVOCI). As such, while their fair value will be represented in the statement of Financial Position, changes in value will be recognised in Other Comprehensive Income rather than profit. The amount will not be recycled through profit when the shares are disposed of. The fair value of the shares and other investments (\$1.814 million) is reflected in note 28. On adoption of AASB 9 *Financial Instruments*, the accounting treatment for the other direct investments is still being determined.
- All financial liabilities listed in the financial instruments / financial risk management note will continue to be measured at amortised cost. The Board does not expect a material change in the reported value of financial liabilities.

These changed amounts will form the opening balance of those items on the date AASB 9 Financial Instruments is adopted. However, the Board will not restate comparative figures for financial instruments on adopting AASB 9 Financial Instruments as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9 Financial Instruments, a number of new or changed ongoing disclosure requirements will apply from that time.

Museum Board
Notes to and forming part of the Financial Statements
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29 Impact of standards and statements not yet implemented (continued)

AASB 16 Leases

This standard will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The standard supersedes AASB 117 *Leases* and unlike AASB 117 *Leases*, AASB 16 *Leases* introduces a single lease accounting model for lessees, eliminating the distinction between operating and finance leases. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The Board has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 *Leases* to its current operating leases, including the extent of additional disclosures required. The exact impact will not be known until the year of transition.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

These standards will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The Board has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as yet not quantified.

30 Events after balance date

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

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