

**ROYAL ZOOLOGICAL SOCIETY
OF SOUTH AUSTRALIA INC**

ABN: 38 750 470 952

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

| | Note | 2015 \$ | 2014 \$ |
|---|------|---------------------|---------------------|
| Revenue | | | |
| Admissions, Membership and Other Revenue | | 14,548,035 | 14,173,637 |
| Grants | | 7,805,239 | 7,242,499 |
| Sundry Sales/Income | | 210,811 | 865,117 |
| Bequests | | 1,531,798 | 328,910 |
| Total Revenue | 2 | <u>24,095,883</u> | <u>22,610,163</u> |
| Expenses | | | |
| Salaries, Wages & On-Costs | | (12,365,553) | (11,891,514) |
| Animal Care | | (719,376) | (593,303) |
| Maintenance Consumables | | (1,298,948) | (1,212,578) |
| Cost of Sales | | (625,820) | (631,668) |
| Conservation & Research Projects | | (2,279,492) | (1,584,528) |
| Utilities | | (701,861) | (713,219) |
| Marketing & Promotion | | (683,590) | (778,275) |
| Tours & Experiences | | (887,737) | (1,096,572) |
| Depreciation | | (2,408,616) | (2,440,039) |
| Onerous Lease Expense | | 790,734 | (37,817) |
| Other Expenses | | (1,748,957) | (1,306,709) |
| Total Expenses | 2 | <u>(22,929,216)</u> | <u>(22,286,222)</u> |
| Surplus/(Loss) from operating activities | | 1,166,667 | 323,941 |
| Finance Income | 6 | 122,869 | 89,102 |
| Finance Expenses | | (372,960) | (383,688) |
| Net Financing Income/(Expense) | | (250,091) | (294,586) |
| Surplus/(Loss) for the Period | | <u>916,576</u> | <u>29,355</u> |
| Other Comprehensive Income/Expense | | | |
| Items that will never be reclassified to profit or loss | | | |
| Change in fair value of financial assets at fair value through other comprehensive income | | (8,762) | 1,228 |
| Total Other Comprehensive Income/(Loss) for period | | <u>(8,762)</u> | <u>1,228</u> |
| Total Comprehensive Income/(Loss) for period attributable to members | | <u>907,814</u> | <u>30,583</u> |

To be read in conjunction with the accompanying notes

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

| | Note | 2015 \$ | 2014 \$ |
|--------------------------------------|------|------------|------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 4 | 583,820 | 1,062,526 |
| Receivables and Prepayments | 5 | 501,611 | 3,155,479 |
| Inventories | 9 | 330,976 | 432,146 |
| Held for Sale Property | 7 | - | 1,500,000 |
| Total Current Assets | | 1,416,407 | 6,150,151 |
| Non Current Assets | | | |
| Financial Assets at Fair Value | 6 | 495,013 | 9,729 |
| Property, Plant and Equipment | 8 | 47,059,816 | 46,851,476 |
| Total Non Current Assets | | 47,554,829 | 46,861,205 |
| Total Assets | | 48,971,236 | 53,011,356 |
| Current Liabilities | | | |
| Sundry Creditors | 12 | 1,456,859 | 3,548,616 |
| Income in Advance | 13 | 2,459,682 | 2,742,513 |
| Loans and Borrowings | 11 | 239,738 | 1,729,343 |
| Provision for Onerous Lease | 14 | - | 96,122 |
| Employee Benefits | 10 | 2,634,753 | 2,441,631 |
| Total Current Liabilities | | 6,791,032 | 10,558,225 |
| Non Current Liabilities | | | |
| Loans and Borrowings | 11 | 8,213,113 | 7,931,384 |
| Income in Advance | 13 | 500,000 | 1,000,000 |
| Provision for Onerous Lease | 14 | - | 994,612 |
| Employee Benefits | 10 | 342,839 | 310,697 |
| Total Non Current Liabilities | | 9,055,952 | 10,236,693 |
| Total Liabilities | | 15,846,984 | 20,794,918 |
| Net Assets | | 33,124,252 | 32,216,438 |
| Reserves | | | |
| Reserves | | (7,455) | 1,307 |
| Retained Funds | | 33,131,707 | 32,215,131 |
| Total Equity | | 33,124,252 | 32,216,438 |

To be read in conjunction with the accompanying notes

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

| | Fair Value Reserves | Retained Funds | Total Equity |
|---|--------------------------------|---------------------------|-------------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2013 | 79 | 32,185,776 | 32,185,855 |
| Profit/(Loss) for the period | - | 29,355 | 29,355 |
| Other Comprehensive Income | | | |
| Change in fair value of financial assets at fair value through other comprehensive income | 1,228 | - | 1,228 |
| Total Other Comprehensive Income/(Expense) for period | <u>1,228</u> | <u>-</u> | <u>1,228</u> |
| Total Comprehensive Income/(Expense) for period | <u>1,228</u> | <u>29,355</u> | <u>30,583</u> |
| Balance at 30 June 2014 | <u>1,307</u> | <u>32,215,131</u> | <u>32,216,438</u> |
| | | | |
| Balance at 1 July 2014 | 1,307 | 32,215,131 | 32,216,438 |
| Profit/(Loss) for the period | - | 916,576 | 916,576 |
| Other Comprehensive Income/(Expense) | | | |
| Change in fair value of financial assets at fair value through other comprehensive income | (8,762) | - | (8,762) |
| Total Other Comprehensive Income/(Expense) for period | <u>(8,762)</u> | <u>-</u> | <u>(8,762)</u> |
| Total Comprehensive Income/(Expense) for period | <u>(8,762)</u> | <u>916,576</u> | <u>907,814</u> |
| Balance at 30 June 2015 | <u>(7,455)</u> | <u>33,131,707</u> | <u>33,124,252</u> |

To be read in conjunction with the accompanying notes

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

| | Note | 2015 \$ | 2014 \$ |
|--|------|-------------------------------|-------------------------------|
| | | Inflows (Outflows) | Inflows (Outflows) |
| Cash Flows from Operating Activities | | | |
| Receipts | | | |
| Receipts from customers | | 13,546,740 | 13,319,158 |
| Donations, Bequests and Sponsorships | | 2,572,132 | 1,431,601 |
| Payments | | | |
| Wages and Salaries | | (11,860,458) | (11,857,274) |
| Suppliers | | (6,734,807) | (6,423,537) |
| Conservation & Research Projects | 12 | (4,419,230) | (480,839) |
| Net Cash Provided by/(Used in) Operating Activities | | (6,895,623) | (4,010,891) |
| Cash Flows from Investing Activities | | | |
| Purchase of Property, Plant and Equipment | | (1,263,484) | (1,013,700) |
| Purchase of Shares and Investments | | (494,046) | - |
| Interest and dividends received | | 122,869 | 89,102 |
| Net Cash Provided by/(Used in) Capital and Investing Activities | | (1,634,661) | (924,598) |
| Cash Flows from Financing Activities | | | |
| Net State Government Grants Received | | 5,364,832 | 5,276,637 |
| Net Other Grants Received | 5 | 4,267,582 | 718,273 |
| Repayment of Borrowings | | (1,207,876) | (278,788) |
| Payment of Interest | | (372,960) | (383,688) |
| Net Cash Provided by Financing Activities | | 8,051,578 | 5,332,434 |
| Net (Decrease)/Increase in Cash Held | | (478,706) | 396,945 |
| Cash at the Beginning of the Year | | 1,062,526 | 665,581 |
| Cash at the End of the Year | 4 | 583,820 | 1,062,526 |

To be read in conjunction with the accompanying notes

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Royal Zoological Society of South Australia Incorporated (the "Society") is a not for profit incorporated association domiciled in South Australia. The address of the Society's registered office is Frome Road, Adelaide, South Australia. The Society during the year was involved in the operation of the Adelaide Zoo and Monarto Zoo. The Society is also involved in a wide range of Conservation Programs both in Australia and internationally.

This financial report was authorised for issue by the Board on 27th October 2015.

(a) **Basis of Preparation**

In the opinion of the directors, the Society is not publicly accountable. The Society applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 (ACNC) and the Associations Incorporation Act 1985 (as amended). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial report is presented in Australian dollars, which is the functional currency of the Society.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 7 – Held for Sale Property
- Note 8 – Property, Plant and Equipment
- Note 10 – Employee Benefits
- Note 14 – Provision for Onerous Lease

While the Society has a working capital deficiency of \$5,374,625, the current liabilities include \$2,459,682 of income received in advance which will not require repayment, \$239,738 as a loan repayment which is to be reimbursed to the Society by the State Government and employee provisions of \$2,634,753, the majority of which are not forecast to be repaid within 12 months. Further, non-current assets include \$495,013 as available-for-sale investments.

The operating surplus before financing of \$1,166,667 includes non-cash expenses (such as depreciation) of \$2,408,616.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As the financial results from 2014/15 reflect, the Society was able to repay \$1,000,000 against its Westpac debt during the year ahead of schedule and has prepared a cash flow forecast which supports it being able to pay its short term debts as and when they fall due. Further, the Society has the ongoing support of the South Australian Government and Westpac.

The accounting policies set out below have been applied consistently to all periods presented in the financial report. There are no new accounting standards, amendments to standards or interpretations identified as having a significant impact on the Society.

The Society has elected to early adopt AASB 9 Financial Instruments with a date of initial application of 1 July 2014. The impact of the adoption of this standard is not considered to be material to the financial statements.

(b) Revenue

(i) Sales Revenue

Income from Admissions, Education, Catering and Retail are recognised as revenue when earned rather than when received.

(ii) Grants

Grants received from government and other bodies are brought to account as income in the year in which they are received, unless they are for a specific purpose where costs have not yet been incurred. Grants in which the Society is required to repay unutilised funding are treated as reciprocal transfers and income is recognised by reference to the stage of completion.

(iii) Interest & Dividends

Interest is recognised on an accruals basis. Dividends are brought to account as they are received.

(iv) Membership Subscriptions

Membership subscriptions are recognised as revenue when earned over the period of the subscription rather than when the cash is received. Prepaid subscriptions are recorded as unearned revenue and are included in Income in Advance.

(v) Donations, Bequests & Sponsorship

Donations, bequests and sponsorship made to the Society, including those made for specific purposes, are treated as income on receipt or under the terms on which they are made. The Society applies specific purpose donations, bequests and sponsorship in accordance with the terms of each bequest and/or the wishes of the donors/sponsor.

(c) Receivables

Receivables to be settled within 60 days are carried at amortised cost. The Society is not materially exposed to any individual customer. The collectability of debts is assessed at year-end (see accounting policy (g)).

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(e) Financial Assets at Fair Value Through Other Comprehensive Income

The Society has a portfolio of investments including interest bearing or dividend yielding securities. The Finance and Audit Committee manages the portfolio to minimise the exposure to significant risk due to changes in yields or market values.

When financial assets are recognised initially, they are measured at fair value. Financial assets other than those subsequently measured at amortised cost are subsequently measured at fair value. Investments in equity instruments that are not held for trading are measured at fair value through other comprehensive income. Fair value is determined based on fair value (being the redemption value) of all investments.

For investments in equity instruments that are not held for trading, the Society has elected at initial recognition to present gains and losses in other comprehensive income. For instruments measured at fair value through other comprehensive income, gains and losses are not reclassified to profit or loss and no impairments are recognised in profit or loss.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dividends earned are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Financial assets are recognised/de-recognised by the Society on the date it commits to purchase/sell the investments.

(f) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle, and includes the expenditure incurred in acquiring the inventories, and bringing them into their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

(g) Impairment

Non-Financial Assets

The carrying amounts of the Society's assets other than inventories (see accounting policy (f)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accountancy policy (g)(i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Financial Assets

(i) Calculation of recoverable amount

The recoverable amount of the Society's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of non-current asset of a not-for-profit entity, "value in use" means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

(ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) **Property, Plant and Equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (g)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Borrowing costs related to the acquisition and construction of qualifying assets are capitalised as part of the cost of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Assets donated to the Society are initially valued at fair value, being the amount for which the assets would be exchanged in an arm's length transaction. The asset value is determined by an independent valuation.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised on a net basis in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is charged to profit or loss on a straight line basis based on the following depreciation rates:

| | |
|-------------------|---------------|
| Buildings | 2.0% |
| Exhibits | 3.3% - 5.0% |
| Plant & Equipment | 10.0% |
| Computers & IT | 25.0% - 30.0% |
| Motor Vehicles | 10.0% |

These rates were applied for the entire financial year. Land is not depreciated.

(i) **Creditors**

Liabilities are recognised for amounts to be paid in future for goods or services received up to balance date. Creditors are normally settled within 30 days.

(j) **Employee Benefits**

(i) **Long-term service benefits**

The Society's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Society's obligations.

(ii) **Wages, salaries and leave**

Liabilities for wages, salaries and leave that are expected to be settled within 12 months of reporting date, represent present obligations resulting from employees' services provided to reporting date and are measured as the undiscounted amounts based on wage and salary rates that the Society expects to pay as at reporting date including related on-costs.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Exhibit Acquisition and Transfer

Management of animal populations and a strong commitment to captive breeding of endangered species requires the Society to regularly interchange specimens with other approved zoos around the world. While threatened species and species subject to cooperative management plans are given freely for the benefit of conservation, the Society bears the cost of importing such species.

As the acquisitions improve the quality of the exhibits, major costs are capitalised to property, plant and equipment in accordance with accounting policy (h).

(l) Taxation

The Society is exempt from income tax under the current provisions of the Income Tax Assessment Act. Accordingly there is no income tax expense or income tax payable.

(m) Operating lease payments

Payments made under operating leases are recognised in the profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense.

(n) Provision for Onerous Lease

A provision for onerous lease is recognised when the expected benefits to be derived by the Society from a lease are lower than the unavoidable cost of meeting its obligations under the lease. The provision is measured at the present value of the lower of the expected cost of terminating the lease and the expected net cost of continuing with the lease. Before a provision is established, the Society recognises any impairment loss on the assets associated with that lease.

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(p) Application of Surplus

Any surplus generated by the Society is applied to the development of Adelaide and Monarto Zoos and/or repayment of debt.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 2: REVENUES AND EXPENSES

| | Note | 2015 | | | | | 2014 | |
|----------------------------------|------|------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|
| | | Adelaide Zoo | Monarto Zoo | Warrawong | Society | Fundraising | Total | Total |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| REVENUE | 1(b) | | | | | | | |
| Admissions | | 5,133,053 | 1,680,970 | - | - | - | 6,814,023 | 6,822,088 |
| Education | | 599,509 | 162,935 | - | - | - | 762,444 | 655,855 |
| Sponsorship | | 53,577 | - | - | 200,757 | 885,220 | 1,139,554 | 1,222,085 |
| Bequests | | - | - | - | - | 1,531,798 | 1,531,798 | 328,910 |
| Donations | | 2,463 | 2,972 | - | 9,283 | 383,372 | 398,090 | 377,366 |
| Membership | | - | - | - | 2,491,966 | - | 2,491,966 | 2,269,036 |
| Retail Sales | | 990,145 | 322,283 | - | - | - | 1,312,428 | 1,346,584 |
| Catering Sales | | 621,756 | 59,514 | - | - | - | 681,270 | 643,935 |
| Tours Income | | 358,402 | 312,031 | - | - | - | 670,433 | 599,247 |
| Events | | 275,554 | 2,273 | - | - | - | 277,827 | 237,441 |
| Sundry Sales/Income | | 120,596 | 54,521 | - | 35,694 | - | 210,811 | 865,117 |
| Grants | 3 | 20,980 | 37,520 | - | 7,746,739 | - | 7,805,239 | 7,242,499 |
| Total Revenue | | 8,176,035 | 2,635,019 | - | 10,484,439 | 2,800,390 | 24,095,883 | 22,610,163 |
| EXPENSES | | | | | | | | |
| Salaries, Wages & On-Costs | | 5,626,209 | 2,597,094 | 3,275 | 3,946,507 | 192,468 | 12,365,553 | 11,891,514 |
| Animal Care | | 244,211 | 308,378 | - | 166,787 | - | 719,376 | 593,303 |
| Maintenance Consumables | | 977,375 | 262,855 | 572 | 58,146 | - | 1,298,948 | 1,212,578 |
| Cost of Sales | | 483,416 | 142,404 | - | - | - | 625,820 | 631,668 |
| Conservation & Research Projects | | - | - | - | 2,279,492 | - | 2,279,492 | 1,584,528 |
| Utilities | | 521,619 | 177,577 | 2,665 | - | - | 701,861 | 713,219 |
| Marketing & Promotion | | 11,863 | 4,246 | - | 649,384 | 18,097 | 683,590 | 778,275 |
| Tours & Experiences | | 196,149 | 688,210 | - | 3,378 | - | 887,737 | 1,096,572 |
| Depreciation | | - | - | - | 2,408,616 | - | 2,408,616 | 2,440,039 |
| Onerous Lease Expense | | - | - | (790,734) | - | - | (790,734) | 37,817 |
| Other Expenses | | 375,780 | 102,001 | 19,828 | 1,204,069 | 47,279 | 1,748,957 | 1,306,709 |
| Total Expenses | | 8,436,622 | 4,282,765 | (764,394) | 10,716,379 | 257,844 | 22,929,216 | 22,286,222 |

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: GOVERNMENT AND OTHER GRANTS

The South Australian Government provided general funding of \$5,364,832 (2014: \$5,276,637) during the year for capital and operating purposes. Other Grants (Government and non-Government) totalling \$2,440,407 (2014: \$1,965,862) were recognised as income and are provided for specific projects carried out by the Society. During the year all general funding received has been recognised as income. Specific purpose funding has been recognised in accordance with the various funding agreements.

NOTE 4: CASH AND CASH EQUIVALENTS

| | Note | 2015 | 2014 |
|--|------|---------|-----------|
| | | \$ | \$ |
| Cash on hand | | 72,008 | 100,764 |
| Cash at bank | | 486,035 | 645,834 |
| Short-term investments – bank deposits | | 25,777 | 315,928 |
| | | 583,820 | 1,062,526 |

NOTE 5: RECEIVABLES AND PREPAYMENTS

| | Note | 2015 | 2014 |
|--|------|---------|-----------|
| | | \$ | \$ |
| Sundry Debtors | | 330,731 | 886,967 |
| Sundry Debtors (China Wildlife Conservation Association) | | - | 2,139,738 |
| Prepaid Expenses | | 28,616 | 12,448 |
| GST Receivable | | 142,264 | 116,326 |
| | | 501,611 | 3,155,479 |

During the year, the Commonwealth Government paid USD \$3,000,000 (AUS \$3,878,975.95) to the Society as funding towards the research and conservation of Giant Pandas for the China Wildlife Conservation Association. \$2,139,738 of this related to prior periods that had been previously recognised as income and a debtor.

The Society's exposure to credit and market risks, and impairment losses related to trade receivables are disclosed in Note 18.

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | Note | 2015 | 2014 |
|--|------|---------|-------|
| | | \$ | \$ |
| Investments in listed corporations – at fair value | | | |
| - shares in listed corporations | | 495,013 | 9,729 |
| - during the year, the Society received dividends of \$15,746 (2014: \$0) which have been recognised within finance income | | 495,013 | 9,729 |

NOTE 7: HELD FOR SALE PROPERTY

| | Note | 2015 | 2014 |
|---|------|-------------|-----------|
| | | \$ | \$ |
| Balance at beginning of year – Fair Value | | 1,500,000 | 1,500,000 |
| Change in Fair Value | | - | - |
| Property no longer held for sale | | (1,500,000) | - |
| Balance at end of year – Fair Value | | - | 1,500,000 |

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 7: HELD FOR SALE PROPERTY (Continued)

Land adjacent to Monarto Zoo was presented as held for sale following the commitment of the Society's management on 23 May 2012 to sell this land and apply the proceeds to its Westpac debt. During 2014/15, the Society repaid \$1,000,000 against the Westpac debt from its own funds and Westpac and the State Government agreed to remove the requirement to sell the land at Monarto.

NOTE 8: PROPERTY, PLANT & EQUIPMENT

| | Note | 2015 | 2014 |
|---|-------------|--------------------------|--------------------------|
| | | \$ | \$ |
| Land and Buildings at cost | | 48,387,173 | 46,820,689 |
| Less: Accumulated Depreciation | | (10,287,004) | (8,791,709) |
| | | <u>38,100,169</u> | <u>38,028,980</u> |
| Exhibits at cost | | 16,149,195 | 15,785,240 |
| Less: Accumulated Depreciation | | (8,933,115) | (8,327,023) |
| | | <u>7,216,080</u> | <u>7,458,217</u> |
| Plant & Equipment at cost | | 2,927,640 | 3,055,142 |
| Less: Accumulated Depreciation | | (1,809,549) | (2,086,831) |
| | | <u>1,118,091</u> | <u>968,311</u> |
| Motor Vehicles at cost | | 1,540,035 | 1,547,375 |
| Less: Accumulated Depreciation | | (1,203,563) | (1,254,525) |
| | | <u>336,472</u> | <u>292,850</u> |
| Construction in Progress | | | |
| - Adelaide | | 110,568 | 98,118 |
| - Monarto | | 178,436 | 5,000 |
| | | <u>289,004</u> | <u>103,118</u> |
| Total Property, Plant & Equipment – net book value | | <u>47,059,816</u> | <u>46,851,476</u> |

Movement in the carrying amounts of Property Plant & Equipment:

| | Land & Buildings | Exhibits | Plant & Equipment | Motor Vehicles | Construction in Progress | Total |
|---|-----------------------------|-------------------------|------------------------------|-----------------------|---------------------------------|--------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at beginning of year | 38,028,980 | 7,458,217 | 968,311 | 292,850 | 103,118 | 46,851,476 |
| Additions | 66,486 | 363,954 | 503,233 | 99,771 | 230,041 | 1,263,484 |
| Property no longer held for sale | 1,500,000 | - | - | - | - | 1,500,000 |
| Disposals | - | - | (91,561) | (10,813) | (44,155) | (146,528) |
| Depreciation | (1,495,297) | (606,091) | (261,892) | (45,336) | - | (2,408,616) |
| Carrying Amount at the end of the year | <u>38,100,169</u> | <u>7,216,080</u> | <u>1,118,091</u> | <u>336,472</u> | <u>289,004</u> | <u>47,059,816</u> |

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 9: INVENTORIES

| | Note | 2015 | 2014 |
|----------------|-------------|----------------|----------------|
| | | \$ | \$ |
| Finished Goods | | 330,976 | 432,146 |
| | | <u>330,976</u> | <u>432,146</u> |

During the period ended 30 June 2015, no inventories were considered non-recoverable and written off (30 June 2014: \$Nil) and no inventories were provided for as potentially impaired (30 June 2014: \$Nil).

NOTE 10: EMPLOYEE BENEFITS

| | Note | 2015 | 2014 |
|--------------------------------|-------------|------------------|------------------|
| | | \$ | \$ |
| Current Liabilities | | | |
| Annual Leave | | 1,156,057 | 1,112,691 |
| Sick Leave Bonus | | 215,153 | 196,584 |
| Long Service Leave | | 1,263,543 | 1,132,356 |
| | | <u>2,634,753</u> | <u>2,441,631</u> |
| Non-Current Liabilities | | | |
| Long Service Leave | | 342,839 | 310,697 |
| | | <u>342,839</u> | <u>310,697</u> |
| Total | | <u>2,977,592</u> | <u>2,752,328</u> |

NOTE 11: LOANS AND BORROWINGS

This note provides information about the contractual terms of the Society's interest-bearing loans and borrowings, which are measured at amortised cost.

| | Note | 2015 | 2014 |
|---|-------------|------------------|------------------|
| | | \$ | \$ |
| Total facilities available: | | | |
| Fully Drawn Advance ¹ | | 1,931,384 | 2,160,727 |
| Business Loan ² | | 6,521,467 | 7,500,000 |
| | | <u>8,452,851</u> | <u>9,660,727</u> |
| Facilities utilised at reporting date: | | | |
| Current | | | |
| Fully Drawn Advance ¹ | | 239,738 | 229,343 |
| Business Loan ² | | - | 1,500,000 |
| | | <u>239,738</u> | <u>1,729,343</u> |
| Non Current | | | |
| Fully Drawn Advance ¹ | | 1,691,646 | 1,931,384 |
| Business Loan ² | | 6,521,467 | 6,000,000 |
| | | <u>8,213,113</u> | <u>7,931,384</u> |
| Total | | <u>8,452,851</u> | <u>9,660,727</u> |

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 11: LOANS AND BORROWINGS (Continued)

1. The Fully Drawn Advance is held with the South Australian Government. The facility is unsecured, matures in 2022 and is subject to an interest rate of 4.55% pa.
2. The business loan facility is held with Westpac Banking Corporation (Westpac). The facility is unsecured, matures in December 2016 and is subject to an interest rate of 4% pa. \$1,000,000 was repaid during the year resulting in \$21,467 of fees and charges being applied to the loan.

NOTE 12: SUNDRY CREDITORS

| | Note | 2015 | 2014 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Sundry Creditors | | 880,441 | 864,077 |
| Accruals | | 576,415 | 544,801 |
| Sundry Creditors (China Wildlife Conservation Association) | | - | 2,139,738 |
| | | <u>1,456,856</u> | <u>3,548,616</u> |

During the year, the Society paid USD \$3,000,000 (AUS \$3,878,975.95) to the China Wildlife Conservation Association for funding towards the research and conservation of Giant Pandas. \$2,139,738 of this related to prior periods that had been previously recognised as an expense and a creditor.

NOTE 13: INCOME IN ADVANCE

| | Note | 2015 | 2014 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Current Income in Advance | | | |
| Grants in Advance | | 160,229 | 472,792 |
| Income Received in Advance | | 487,469 | 704,897 |
| Westpac Sponsorship Benefit in Advance | | 500,000 | 500,000 |
| Member Fees Received in Advance | | 1,311,984 | 1,064,824 |
| | | <u>2,459,682</u> | <u>2,742,513</u> |
| Non Current Income in Advance | | | |
| Westpac Sponsorship Benefit in Advance | | 500,000 | 1,000,000 |
| | | <u>500,000</u> | <u>1,000,000</u> |
| Total | | <u>2,959,682</u> | <u>3,742,513</u> |

NOTE 14: PROVISION FOR ONEROUS LEASE

| | Note | 2015 | 2014 |
|---|-------------|-------------|------------------|
| | | \$ | \$ |
| Balance at beginning of year | | 1,090,734 | 1,165,013 |
| Lease payments allocated to provision during the year | | - | (112,096) |
| Provisions made during the year | | - | 37,817 |
| Reversal of onerous lease during the year | | (1,090,734) | - |
| Balance at end of year | | <u>-</u> | <u>1,090,734</u> |
| Represented by: | | | |
| Current | | - | 96,122 |
| Non Current | | - | 994,612 |
| | | <u>-</u> | <u>1,090,734</u> |

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14: PROVISION FOR ONEROUS LEASE (Continued)

During 2012/13, the Society ceased operations at Warrawong Sanctuary and during 2014/15, was able to negotiate with the landowners, Ngarrindjeri Ruwe Contracting, to terminate the lease which wasn't due to expire until 30 June 2025. This resulted in the reversal of the previously recognised onerous lease.

NOTE 15: COMMITMENTS

Capital Expenditure Commitments

There were no capital expenditure commitments at 30 June 2015 (2014: Nil)

| | Note | 2015 | 2014 |
|--|------|----------------|---------------|
| | | \$ | \$ |
| Operating Lease Expense Commitments | | | |
| Non-cancellable operating leases contracted for but not recognised in the financial statements | | | |
| Payable – minimum lease payments: | | | |
| - Within one year | | 47,742 | 65,420 |
| - One year or later and no later than five years | | 87,556 | 27,125 |
| - Later than five years | | - | - |
| Total | | <u>135,298</u> | <u>92,545</u> |

NOTE 16: FAIR VALUE RESERVE

The fair value reserve includes the cumulative net change in the fair value of equity instruments that are not held for trading. Gains and losses on these financial assets are not transferred to profit and loss.

NOTE 17: RELATED PARTIES

Board

The names of each person holding the position of Board member of the Royal Zoological Society of SA Inc during the year are as follows. Board members were in office for the entire year unless otherwise stated.

| | | |
|-----------------|-----------------|----------------------------|
| Mr D Sanders | President | |
| Mr R Hobbs | Vice President | |
| Mr K McGuinness | Elected Member | |
| Mr C Watts | Elected Member | Ceased 25 November 2014 |
| Mr G Crook | Elected Member | |
| Ms T Shepard | Elected Member | |
| Ms C Tilt | Elected Member | Commenced 25 November 2014 |
| Mr B Coombe | Co-Opted Member | Ceased 31 December 2014 |
| Ms K Thiele | Co-Opted Member | |
| Ms J Riedstra | Co-Opted Member | |
| Mr T Jarvis AM | Co-Opted Member | Commenced 28 May 2015 |

The Board members did not receive any emoluments from the Society during the financial year.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 17: RELATED PARTIES (Continued)

Key management personnel disclosures

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows: | | |
| Key management personnel compensation | 900,527 | 919,670 |

NOTE 18: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2015 | 2014 |
|------------------------------------|-------------|------------------|-------------------|
| | | \$ | \$ |
| Financial Assets | | | |
| Cash and cash equivalents | 4 | 583,820 | 1,062,526 |
| Receivables and Prepayments | 5 | 501,611 | 3,155,479 |
| Financial Assets at Fair Value | 6 | 495,013 | 9,729 |
| Total Financial Assets | | 1,580,444 | 4,227,734 |
| Financial Liabilities | | | |
| Sundry Creditors | 12 | 1,456,859 | 3,548,616 |
| Loans and borrowings | 11 | 8,452,851 | 9,660,727 |
| Total Financial Liabilities | | 9,909,710 | 13,209,343 |

Refer to Note 16 for detailed disclosures regarding the fair value measurement of the association's financial assets.

NOTE 19: EVENTS AFTER BALANCE DATE

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

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

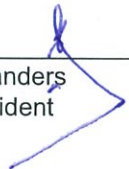
STATEMENT BY THE BOARD OF DIRECTORS

In the opinion of the directors of the Royal Zoological Society of South Australia Incorporated ('the Society'):


- (a) the Society is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 2 to 17 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 , including:
 - (i) presents fairly in all material respects of the financial position of the Society as at 30 June 2015 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.
- (d) Since the end of the previous financial year no Officer of the Society, no firm of which an Officer is a member, and no body corporate in which an Officer has a substantial financial interest, has received or become entitled to receive any benefit as a result of a contract between the Officer, firm or body corporate and the Society.
- (e) Since the end of the previous financial year no Officer of the Society has received directly or indirectly any payment or other benefit of a pecuniary value, other than in the case of officers employed by the Society, approved salaries which have been determined in accordance with general market conditions.

Signed in accordance with a resolution of the directors:

Dated at Adelaide this 27th day of October 2015.



D Sanders
President



K McGuinness
Director



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Royal Zoological Society of South Australia Incorporated.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Scott Fleming
Partner

Adelaide

27 October 2015



Independent auditor's report to the members of the Royal Zoological Society of South Australia Incorporated

We have audited the accompanying financial report of the Royal Zoological Society of South Australia Incorporated (the Society), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information, and the statement by the Board of Directors.

This audit report has also been prepared for the members of the Society pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) (collectively the Act and Regulations).

Board members' responsibility for the financial report

The Board of Directors of the Society are responsible for the preparation of the financial report that presents fairly in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC and the *Associations Incorporations Act 1985 (as amended)*. The Board of Directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of the financial report that is fairly presented and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation of the financial report that is fairly presented 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC and the *Associations Incorporations Act 1985 (as amended)*, a view which is consistent with our understanding of the Society's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Auditor's opinion

In our opinion the financial report of the Royal Zoological Society of South Australia Incorporated is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporations Act 1985 (as amended)*, including:

- (a) presenting fairly in all material respects the Society's financial position as at 30 June 2015 and its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

KPMG

Scott Fleming
Partner

Adelaide

27 October 2015