

**ROYAL ZOOLOGICAL SOCIETY  
OF SOUTH AUSTRALIA INC**

**ABN: 38 750 470 952**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2017**

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Admissions, Membership and Other Revenue		17,261,997	16,634,905
Grants		7,285,186	7,359,830
Sundry Sales/Income		293,767	312,330
Bequests		171,901	752,500
<b>Total Revenue</b>	2	<u>25,012,851</u>	<u>25,059,565</u>
<b>Expenses</b>			
Salaries, Wages & On-Costs		(13,471,627)	(12,795,070)
Animal Care		(801,976)	(741,794)
Maintenance Consumables		(1,452,870)	(1,375,581)
Cost of Sales		(674,049)	(624,731)
Conservation & Research Projects		(1,644,677)	(1,849,257)
Utilities		(486,733)	(555,994)
Marketing & Promotion		(839,954)	(900,106)
Tours & Experiences		(1,173,709)	(983,985)
Depreciation		(2,442,831)	(2,481,407)
Other Expenses		(1,528,174)	(1,563,174)
<b>Total Expenses</b>	2	<u>(24,516,600)</u>	<u>(23,871,099)</u>
<b>Surplus from operating activities</b>		<u>496,251</u>	<u>1,188,466</u>
Finance Income		76,045	83,412
Finance Expenses		(327,864)	(344,935)
Net Financing Expense		(251,819)	(261,523)
<b>Surplus for the Period</b>		<u>244,432</u>	<u>926,943</u>
<b>Other Comprehensive Income/Expense</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Change in fair value of financial assets at fair value through other comprehensive income		31,032	(15,226)
<b>Total Other Comprehensive Income / (Loss) for period</b>		<u>31,032</u>	<u>(15,226)</u>
<b>Total Comprehensive Income for period attributable to members</b>		<u>275,464</u>	<u>911,717</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 2017**

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	3,883,337	1,581,423
Receivables and Prepayments	5	924,277	551,809
Inventories	8	508,555	478,884
Total Current Assets		5,316,169	2,612,116
<b>Non Current Assets</b>			
Financial Assets at Fair Value	6	476,601	509,298
Property, Plant and Equipment	7	46,921,465	47,497,431
Total Non Current Assets		47,398,066	48,006,729
<b>Total Assets</b>		52,714,235	50,618,845
<b>Current Liabilities</b>			
Sundry Creditors	11	4,254,342	2,797,758
Income in Advance	12	3,227,356	2,352,279
Loans and Borrowings	10	6,111,904	6,600,285
Employee Benefits	9	3,148,401	2,811,276
Total Current Liabilities		16,742,003	14,561,598
<b>Non Current Liabilities</b>			
Loans and Borrowings	10	1,431,910	1,735,985
Employee Benefits	9	228,889	285,293
Total Non Current Liabilities		1,660,799	2,021,278
<b>Total Liabilities</b>		18,402,802	16,582,876
<b>Net Assets</b>		34,311,433	34,035,969
<b>Reserves</b>		8,351	(22,681)
<b>Retained Funds</b>		34,303,082	34,058,650
<b>Total Equity</b>		34,311,433	34,035,969

*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 2017**

	<b>Fair Value Reserves</b>	<b>Retained Funds</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	(7,455)	33,131,707	33,124,252
Profit/(Loss) for the period	-	926,943	926,943
<b>Other Comprehensive Income</b>			
Change in fair value of financial assets at fair value through other comprehensive income	(15,226)	-	(15,226)
<b>Total Other Comprehensive Income/(Expense) for period</b>	(15,226)	-	(15,226)
<b>Total Comprehensive Income/(Expense) for period</b>	(15,226)	926,943	911,717
<b>Balance at 30 June 2016</b>	(22,681)	34,058,650	34,035,969
 <b>Balance at 1 July 2016</b>	 (22,681)	 34,058,650	 34,035,969
Profit/(Loss) for the period	-	244,432	244,432
<b>Other Comprehensive Income/(Expense)</b>			
Change in fair value of financial assets at fair value through other comprehensive income	31,032	-	31,032
<b>Total Other Comprehensive Income/(Expense) for period</b>	31,032	-	31,032
<b>Total Comprehensive Income/(Expense) for period</b>	31,032	244,432	275,464
<b>Balance at 30 June 2017</b>	8,351	34,303,082	34,311,433

*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 2017**

	Note	2017 \$	2016 \$
		<b>Inflows (Outflows)</b>	<b>Inflows (Outflows)</b>
<b>Cash Flows from Operating Activities</b>			
Receipts			
Receipts from customers		16,051,776	14,469,033
Donations, Bequests and Sponsorships		1,891,623	2,827,837
Payments			
Wages and Salaries		(13,137,536)	(12,598,634)
Suppliers	11	(6,757,686)	(7,098,995)
Conservation & Research Projects		(391,193)	(502,637)
<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>(2,343,016)</b>	<b>(2,903,396)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment		(1,866,865)	(2,920,264)
Sale/(Purchase) of Shares and Investments		63,729	(29,511)
Interest and dividends received		76,045	83,412
<b>Net Cash Provided by/(Used in) Capital and Investing Activities</b>		<b>(1,727,091)</b>	<b>(2,866,363)</b>
<b>Cash Flows from Financing Activities</b>			
Net State Government Grants Received		5,604,161	5,485,982
Net Other Grants Received		1,888,180	1,742,896
Repayment of Borrowings		(792,456)	(116,581)
Payment of Interest		(327,864)	(344,935)
<b>Net Cash Provided by Financing Activities</b>		<b>6,372,021</b>	<b>6,767,362</b>
<b>Net (Decrease)/Increase in Cash Held</b>		<b>2,301,914</b>	<b>997,603</b>
<b>Cash at the Beginning of the Year</b>		<b>1,581,423</b>	<b>583,820</b>
<b>Cash at the End of the Year</b>	4	<b>3,883,337</b>	<b>1,581,423</b>

*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 2017

### 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 31<sup>st</sup> October 2017.

#### (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 – Property, Plant and Equipment
- Note 9 – Employee Benefits

The Society has a working capital deficiency of \$11.3m as current liabilities of \$16.7m exceed the current assets of \$5.3m. Included in current liabilities is \$3.2m of income received in advance which will not require repayment and employee provisions of \$3.1m, the majority of which are not forecast to be paid within 12 months. The Society's long-term debt facility of \$5.8m was transferred from Westpac to ANZ on the 7 July 2017, and was classified as current as at 30 June 2017 due to the loan facility expiring. The new debt facility with ANZ will be reclassified as non-current in the following financial year.

The Board has reviewed the forecast cash flow of the Society and considers that it will be able to meet its obligations as and when they fall due. In the year ended 30 June 2017, the Society generated net cash flows from operations of \$3.3m (including State Government operating grants) and it is forecast to



ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

generate positive operating cash flows in the 2018 financial year. Accordingly, the financial statements continue to be prepared on a going concern basis.

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 at 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 2017

### 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 2017

### 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% - 3.5%
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 2017

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) **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.

(o) **Application of Surplus**

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

(p) **New standards and interpretations not yet adopted**

The Australian Accounting Standards Board has released two new accounting standards that are not yet effective:

1. AASB 15 Revenue from Contracts with Customers, effective for financial years ending on or after 1 January 2019; and
2. AASB 16 Leases, effective for financial years ending on or after 1 January 2019.

A review of the accounting treatment required by these standards has not yet been conducted by management. This review will be conducted during the 2017/18 financial year.



**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 2: REVENUES AND EXPENSES**

	Note	2017					2016
		Adelaide Zoo	Monarto Zoo	Society	Fundraising	Total	Total
		\$	\$	\$	\$	\$	\$
<b>REVENUE</b>	1(b)						
Admissions		5,353,752	1,934,419	-	-	7,288,171	7,173,683
Education		806,178	181,486	-	-	987,664	910,123
Sponsorship		219,287	13,972	496,060	947,773	1,677,092	2,035,989
Bequests		-	-	-	171,901	171,901	752,500
Donations		-	262	1,716	539,797	541,775	537,750
Membership		-	-	3,279,408	-	3,279,408	2,947,916
Retail Sales		1,129,930	366,756	-	-	1,496,686	1,430,553
Catering Sales		587,211	65,683	-	-	652,894	541,040
Tours Income		672,150	216,772	-	-	888,922	726,632
Events		340,480	-	-	108,905	449,385	331,219
Sundry Sales/Income		118,880	41,508	87,386	45,993	293,767	312,330
Grants	3	9,200	9,032	7,178,954	88,000	7,285,186	7,359,830
<b>Total Revenue</b>		<b>9,237,068</b>	<b>2,829,890</b>	<b>11,043,524</b>	<b>1,902,369</b>	<b>25,012,851</b>	<b>25,059,565</b>
<b>EXPENSES</b>							
Salaries, Wages & On-Costs		6,096,922	2,885,596	4,278,324	210,785	13,471,627	12,795,070
Animal Care		242,958	327,296	231,722	-	801,976	741,794
Maintenance Consumables		1,065,811	258,622	128,437	-	1,452,870	1,375,581
Cost of Sales		513,059	160,990	-	-	674,049	624,731
Conservation & Research Projects		-	-	1,644,677	-	1,644,677	1,849,257
Utilities		369,014	117,719	-	-	486,733	555,994
Marketing & Promotion		38,153	167	762,450	39,184	839,954	900,106
Tours & Experiences		384,293	787,167	2,249	-	1,173,709	983,985
Depreciation		-	-	2,442,831	-	2,442,831	2,481,407
Other Expenses		338,958	80,701	1,028,522	79,993	1,528,174	1,563,174
<b>Total Expenses</b>		<b>9,049,168</b>	<b>4,618,258</b>	<b>10,519,212</b>	<b>329,962</b>	<b>24,516,600</b>	<b>23,871,099</b>

**NOTE 3: GOVERNMENT AND OTHER GRANTS**

The South Australian Government provided general funding of \$5,604,161 (2016: \$5,485,982) during the year for capital and operating purposes. Other Grants (Government and non-Government) totalling \$1,681,025 (2016: \$1,873,848) 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.



**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 4: CASH AND CASH EQUIVALENTS**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Cash on hand		76,471	72,790
Cash at bank		3,804,464	1,506,256
Short-term investments – bank deposits		2,402	2,377
		<u>3,883,337</u>	<u>1,581,423</u>

**NOTE 5: RECEIVABLES AND PREPAYMENTS**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Sundry Debtors		701,073	220,447
Prepaid Expenses		46,270	219,525
GST Receivable		176,934	111,837
		<u>924,277</u>	<u>551,809</u>

The Society's exposure to credit and market risks, and impairment losses related to trade receivables are disclosed in Note 16.

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

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Investments in listed corporations – at fair value			
- shares in listed corporations		476,601	509,298
- during the year, the Society received dividends of \$22,121 (2016: \$25,546 ) which have been recognised within finance income		476,601	509,298

**NOTE 7: PROPERTY, PLANT & EQUIPMENT**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Land and Buildings at cost		49,287,929	49,269,049
Less: Accumulated Depreciation		(13,192,101)	(11,815,473)
		<u>36,095,828</u>	<u>37,453,576</u>
Exhibits at cost		17,117,549	16,946,680
Less: Accumulated Depreciation		(10,138,205)	(9,539,030)
		<u>6,979,344</u>	<u>7,407,650</u>
Plant & Equipment at cost		4,748,717	4,087,153
Less: Accumulated Depreciation		(2,470,825)	(2,051,547)
		<u>2,277,892</u>	<u>2,035,606</u>
Motor Vehicles at cost		1,737,046	1,637,542
Less: Accumulated Depreciation		(1,333,277)	(1,295,569)
		<u>403,769</u>	<u>341,973</u>

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 7: PROPERTY, PLANT & EQUIPMENT (Continued)**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Construction in Progress			
- Adelaide		68,968	18,481
- Monarto		1,009,316	50,145
- Society		86,348	190,000
		<u>1,164,632</u>	<u>258,626</u>
Total Property, Plant & Equipment – net book value		<u>46,921,465</u>	<u>47,497,431</u>

Movement in the carrying amounts of Property Plant & Equipment:

	<b>Land &amp; Buildings</b>	<b>Exhibits</b>	<b>Plant &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Construction in Progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of year	37,453,576	7,407,650	2,035,606	341,973	258,626	47,497,431
Additions/(Transfers)	18,880	170,869	661,564	120,182	906,006	1,877,501
Disposals	-	-	-	(10,636)	-	(10,636)
Depreciation	(1,376,628)	(599,175)	(419,278)	(47,750)	-	(2,442,831)
Carrying Amount at the end of the year	<u>36,095,828</u>	<u>6,979,344</u>	<u>2,277,892</u>	<u>403,769</u>	<u>1,164,632</u>	<u>46,921,465</u>

**NOTE 8: INVENTORIES**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Finished Goods		508,555	478,884
		<u>508,555</u>	<u>478,884</u>

During the period ended 30 June 2017, no inventories were considered non-recoverable and written off (30 June 2016: \$Nil) and no inventories were provided for as potentially impaired (30 June 2016: \$Nil).

**NOTE 9: EMPLOYEE BENEFITS**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>Current Liabilities</b>			
Annual Leave		1,273,042	1,175,035
Sick Leave Bonus		224,722	220,984
Long Service Leave		1,650,637	1,415,257
		<u>3,148,401</u>	<u>2,811,276</u>
<b>Non-Current Liabilities</b>			
Long Service Leave		228,889	285,293
		<u>228,889</u>	<u>285,293</u>
Total		<u>3,377,290</u>	<u>3,096,569</u>

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 10: 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.

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Total facilities available:			
Fully Drawn Advance <sup>1</sup>		1,440,593	1,691,646
Business Loan <sup>2</sup>		5,800,000	6,300,000
Hire Purchase <sup>3</sup>		303,221	344,624
		<u>7,543,814</u>	<u>8,336,270</u>
Facilities utilised at reporting date:			
<b>Current</b>			
Fully Drawn Advance <sup>1</sup>		262,672	251,053
Business Loan <sup>2</sup>		5,800,000	6,300,000
Hire Purchase <sup>3</sup>		49,232	49,232
		<u>6,111,904</u>	<u>6,600,285</u>
<b>Non Current</b>			
Fully Drawn Advance <sup>1</sup>		1,177,921	1,440,593
Hire Purchase <sup>3</sup>		253,989	295,392
		<u>1,431,910</u>	<u>1,735,985</u>
<b>Total</b>		<u>7,543,814</u>	<u>8,336,270</u>

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, matured in July 2017 and is subject to an interest rate of 4% pa. The entire facility has been classified as current due to the maturity date. As of 7 July 2017 the loan facility was refinanced with Australia and New Zealand Banking Group (ANZ).
3. Hire purchase liabilities are effectively secured as rights to the leased assets. These revert to the lessor in the event of default.

**NOTE 11: SUNDRY CREDITORS**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Sundry Creditors		999,879	794,845
Accruals		654,359	656,293
Sundry Creditors (China Wildlife Conservation Association)		2,600,104	1,346,620
		<u>4,254,342</u>	<u>2,797,758</u>

During the year, the Commonwealth Government paid USD \$1,000,000 (AUS \$1,300,052) to the Society as funding towards the research and conservation of Giant Pandas for the China Wildlife Conservation Association (CWCA). As at 30 June 2016, this grant (as well as the prior year grant) had not been paid to the CWCA due to CWCA not having requested the funds. The funds were requested by CWCA early in the following financial year and the full balance of USD \$2,000,000 was remitted to CWCA on 1 August 2017.



# ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 12: INCOME IN ADVANCE

	Note	2017 \$	2016 \$
<b>Current Income in Advance</b>			
Grants in Advance		236,432	29,277
Income Received in Advance		1,249,787	460,956
Westpac Sponsorship Benefit in Advance		-	500,000
Member Fees Received in Advance		1,741,137	1,362,046
Total		3,227,356	2,352,279

### NOTE 13: COMMITMENTS

	Note	2017 \$	2016 \$
<b>Capital Expenditure Commitments</b>			
Significant capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements			
- Property, Plant & Equipment <sup>1</sup>		633,954	-
Total		633,954	-

1. Contracted expenditure for the construction of a lion exhibit at Monarto Zoo expected to be completed by October 2017.

	Note	2017 \$	2016 \$
<b>Operating Lease Expense Commitments</b>			
Non-cancellable operating leases contracted for but not recognised in the financial statements			
Payable – minimum lease payments:			
- Within one year		80,242	28,367
- One year or later and no later than five years		136,180	59,189
- Later than five years		-	-
Total		216,422	87,556

### NOTE 14: 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 15: 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

# ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 15: RELATED PARTIES (Continued)

Ms J Riedstra	Vice President
Mr R Hobbs	Vice President (Resigned 24 November 2016)
Mr K McGuinness	Elected Member
Mr G Crook	Elected Member
Ms T Shepard	Elected Member (Resigned 24 November 2016)
Prof C Tilt	Elected Member
Mr Dennis Mutton	Elected Member (Commenced 24 November 2016)
Ms K Thiele	Board Appointed Member
Mr T Jarvis AM	Board Appointed Member
Mr Rod Buchecker	Board Appointed Member (Commenced 31 January 2017)

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

### Key management personnel disclosures

	2017 \$	2016 \$
The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:		
Key management personnel compensation	953,495	881,583

Key management personnel includes the Chief Executive and Directors of Life Sciences, Business Operations, Corporate Services, People & Performance and Property & Development.

### NOTE 16: 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	2017 \$	2016 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	3,883,337	1,581,423
Receivables and Prepayments	5	924,277	551,809
Financial Assets at Fair Value	6	476,601	509,298
<b>Total Financial Assets</b>		<b>5,284,215</b>	<b>2,642,530</b>
<b>Financial Liabilities</b>			
Sundry Creditors	11	4,254,342	2,797,758
Loans and borrowings	10	7,543,814	8,336,270
<b>Total Financial Liabilities</b>		<b>11,798,156</b>	<b>11,134,028</b>

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 16: FINANCIAL RISK MANAGEMENT (Continued)**

Refer to Note 14 for detailed disclosures regarding the fair value measurement of the association's financial assets.

**NOTE 17: 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 2017 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 31 day of October 2017.

J Riedstra  
Vice-President



D Mutton  
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 2017 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.

A stylized signature of the KPMG firm, written in a cursive script.

KPMG

A handwritten signature of Scott Fleming, written in a cursive script.

Scott Fleming  
Partner



# Independent Auditor's Report

To the members of the Royal Zoological Society of South Australia Incorporated

## Opinion

We have audited the **Financial Report** of Royal Zoological Society of South Australia (the Society).

In our opinion, the accompanying Financial Report of the Society is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- Giving a true and fair view of the Society's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- Complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017.
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Statement by the Board of Directors

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Society in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Responsibilities of the Board members for the Financial Report

The Board of Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *ACNC*.
- Preparing the Financial Report in accordance with the *Associations Incorporations Act 1985* (as amended).



- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Society's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 our 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. They 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*, we exercise professional judgement and maintain professional scepticism throughout the audit.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the financial report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Society to cease to continue as a going concern.



- vi. Evaluating 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.

We communicate with the Board of Directors of the Society regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to read 'Scott Fleming'.

Scott Fleming  
Partner

Adelaide  
31 October 2017