

**ROYAL ZOOLOGICAL SOCIETY
OF SOUTH AUSTRALIA INC**

ABN: 38 750 470 952

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue			
Admissions, Membership and Other Revenue		19,673,386	15,128,895
Grants	2/3	16,403,510	10,546,570
Gain on Sale of Land		14,651	1,950,288
Insurance Recoveries		1,677,273	1,300,000
Sundry Sales/Income		293,164	279,895
Bequests		263,303	269,283
Total Revenue	2	<u>38,325,287</u>	<u>29,474,931</u>
Expenses			
Salaries, Wages & On-Costs		(16,915,288)	(16,180,351)
Animal Care		(1,155,172)	(1,142,167)
Maintenance Consumables		(2,003,654)	(1,559,265)
Cost of Sales		(1,086,164)	(560,863)
Conservation & Research Projects		(1,337,724)	(1,450,959)
Utilities		(745,396)	(856,738)
Marketing & Promotion		(477,973)	(732,290)
Tours & Experiences		(1,578,907)	(992,860)
Depreciation		(2,581,298)	(2,810,581)
Other Expenses		(1,530,446)	(1,755,389)
Total Expenses	2	<u>(29,412,022)</u>	<u>(28,041,463)</u>
Surplus from operating activities		<u>8,913,265</u>	<u>1,433,468</u>
Finance Income		18,739	46,486
Finance Expenses		(137,799)	(178,836)
Net Financing Expense		(119,060)	(132,350)
Surplus for the Year		<u>8,794,205</u>	<u>1,301,118</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		69,514	(12,077)
Total Other Comprehensive Income / (Loss) for the year		<u>69,514</u>	<u>(12,077)</u>
Total Comprehensive Income for the year attributable to members		<u>8,863,719</u>	<u>1,289,041</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 2021**

	Note	2021 \$	2020 \$
Current Assets			
Cash and Cash Equivalents	4	1,576,436	2,272,263
Receivables and Prepayments	5	7,610,709	2,096,293
Inventories	8	376,793	553,724
Total Current Assets		9,563,938	4,922,280
Non Current Assets			
Financial Assets at Fair Value	6	449,619	378,093
Property, Plant and Equipment	7	55,265,844	48,775,213
Total Non Current Assets		55,715,463	49,153,306
Total Assets		65,279,401	54,075,586
Current Liabilities			
Sundry Creditors	11	4,783,976	3,358,726
Income in Advance	12	6,559,802	5,097,301
Loans and Borrowings	10	3,016,497	1,299,181
Employee Benefits	9	3,869,626	3,601,895
Total Current Liabilities		18,229,901	13,357,103
Non Current Liabilities			
Loans and Borrowings	10	343,551	3,359,019
Income in Advance	12	3,736,002	3,258,452
Employee Benefits	9	361,264	356,048
Total Non Current Liabilities		4,440,817	6,973,519
Total Liabilities		22,670,718	20,330,622
Net Assets		42,608,683	33,744,964
Reserves			
Reserves	14	60,573	(8,941)
Retained Funds		42,548,110	33,753,905
Total Equity		42,608,683	33,744,964

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 2021**

	Fair Value Reserves	Retained Funds	Total Equity
	\$	\$	\$
Balance at 1 July 2019	3,136	32,452,787	32,455,923
Profit/(Loss) for the year	-	1,301,118	1,301,118
Other Comprehensive Income			
Change in fair value of financial assets at fair value through other comprehensive income	(12,077)	-	(12,077)
Total Other Comprehensive Income/(Loss) for the year	<u>(12,077)</u>	<u>-</u>	<u>(12,077)</u>
Total Comprehensive Income/(Loss) for the year	<u>(12,077)</u>	<u>1,301,118</u>	<u>1,289,041</u>
Balance at 30 June 2020	<u>(8,941)</u>	<u>33,753,905</u>	<u>33,744,964</u>
 Balance at 1 July 2020	 (8,941)	 33,753,905	 33,744,964
Profit/(Loss) for the year	-	8,794,205	8,794,205
Other Comprehensive Income			
Change in fair value of financial assets at fair value through other comprehensive income	69,514	-	69,514
Total Other Comprehensive Income/(Loss) for the year	<u>69,514</u>	<u>-</u>	<u>69,514</u>
Total Comprehensive Income/(Loss) for the year	<u>69,514</u>	<u>8,794,205</u>	<u>8,863,719</u>
Balance at 30 June 2021	<u>60,573</u>	<u>42,548,110</u>	<u>42,608,683</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 2021**

	Note	2021 \$	2020 \$
		Inflows (Outflows)	Inflows (Outflows)
Cash Flows from Operating Activities			
Receipts			
Receipts from customers		19,710,658	17,476,172
Donations, Bequests and Sponsorships		2,262,771	3,000,922
Payments			
Wages and Salaries		(16,855,825)	(15,909,658)
Suppliers		(8,530,900)	(8,090,720)
Conservation & Research Projects		(1,337,724)	(1,450,959)
Net Cash Provided by/(Used in) Operating Activities		(4,751,020)	(4,974,243)
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(6,128,288)	(4,447,401)
Proceeds from Sale of Property, Plant and Equipment		14,651	1,950,288
Sale/(Purchase) of Shares and Investments		(2,012)	31,322
Interest and dividends received		18,739	46,486
Net Cash Provided by/(Used in) Capital and Investing Activities		(6,096,910)	(2,419,305)
Cash Flows from Financing Activities			
Net State Government Grants Received		6,036,026	5,928,767
Net Other Grants Received		5,552,028	3,262,645
Net Repayment of Borrowings		(1,298,152)	(702,087)
Payment of Interest		(137,799)	(178,836)
Net Cash Provided by Financing Activities		10,152,103	8,310,489
Net (Decrease)/Increase in Cash Held		(695,827)	916,941
Cash at the Beginning of the Year		2,272,263	1,355,322
Cash at the End of the Year	4	1,576,436	2,272,263

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 2021

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 Adelaide Zoo and Monarto Safari Park. 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 26th October 2021.

(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
- Note 11 – Sundry Creditors
- Note 12 – Income in Advance

The financial statements have been prepared on a going concern basis. Further detail about the assessment of going concern is set out in Note 1 (b).

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.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Going Concern

The financial statements have been prepared on the going concern basis which assumes the Society will be able to pay its debts as and when they become payable and in the ordinary course of business for a period of at least 12 months from the date the financial report is authorised by Directors for issue.

The Society has derived a surplus for the year of \$8.79m (2020: \$1.30m). As at 30 June 2021, the Society has net assets of \$42.61m (2020: \$33.75m) however has a working capital deficiency of \$8.66m. Included in current liabilities is \$6.56m of income received in advance which is not expected to require repayment and employee provisions of \$3.87m, the majority of which are not anticipated to be settled within the next 12 months.

On 11 March 2020 the World Health Organisation declared a global pandemic due to the outbreak of a novel corona virus responsible for the spread of COVID-19. Adelaide Zoo and Monarto Safari Park both operate under a COVID Management Plan approved by SA Health. This plan requires measures to be put in place to ensure appropriate social distancing, daily capacity limits for visitation, and limits on large gatherings, functions, some animal experiences and events.

Ongoing restrictions on international and domestic travel, and potential for a decline in discretionary spending due to economic conditions were expected to impact visitation and revenue for the financial year ended 30 June 2021, and did so. Impacts on visitation and revenue are expected to continue for the financial year ended 30 June 2022, and due to the largely fixed nature of costs in maintaining sites and ensuring the welfare of the animal collections there is limited opportunity to significantly reduce operating costs.

The Board has prepared a cash flow forecast of the Society to October 2022 which indicates that it will be able to meet its obligations as and when they fall due. The cash flow forecast includes estimated revenue in line with current visitation numbers until at least 30 June 2022 and a focus on containing employee and operating expenses to current levels. The following key assumptions have been used in formulating the cash flow forecast:

- No further operating restrictions will be placed on the Society's operations and that some of the current COVID-19 restrictions will remain in place for the 2021-22 financial year;
- The activities and interactions to be made available are influenced by the current COVID-19 Management Plan restrictions;
- Visitation will not benefit from international travel or from significant interstate travel during 2021-22 but will start to return to prior levels during 2022-23;
- Beyond 30 June 2022, operations will return to near pre COVID-19 longer term trading conditions.

The cash flow forecast is particularly sensitive to the Society's achieving its visitation and revenue forecast. A decrease in the visitation and revenue forecast would result in the Society needing to seek additional funding from the State Government. At this time, no formal arrangements are in place in relation to the State Government support currently in place.

The current ANZ facility is due to expire in June 2022, with a balance owing of \$2.55m. Discussions have commenced with ANZ regarding a new facility that will commence in July 2022, however no formal agreement is in place at this time.

Directors anticipate that the Society will be able to meet financial covenants contained in its financing facilities with ANZ or otherwise ANZ will not enforce its legal rights in relation to any arising covenant breaches. Whilst Directors anticipate continuing support from ANZ in this regard, no formal undertakings from ANZ exist at this time.

Whilst Directors anticipate the on-going support of the State Government and ANZ, in the event that the cash flows of the Society are more adversely impacted than anticipated by visitation restrictions arising from COVID-19 and the Society is unable to obtain additional funding from the State Government and/or restructure its debt arrangements, there exists a material uncertainty which may cast significant doubt as to whether the Society can continue as a going concern and therefore realise its assets and extinguish its liabilities in the ordinary course of business at the amounts stated in the financial report.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue

(i) Sales Revenue

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

(ii) Grants

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement but may include management of events. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Society at significantly below its fair value. Once the asset has been recognised, the Society recognises any related liability amounts (e.g. provisions, financial liabilities). Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

(iii) Capital Grants

Capital grants received under an enforceable agreement to enable the Society to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Society (once complete) are recognised as revenue over the construction period. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Society.

(iv) Interest & Dividends

Interest revenue is recognised as it accrues on a daily basis, using the effective interest method. Dividend revenue is recognised in the statement of profit and loss and comprehensive income on the date the right to receive payments is established, which in the case of quoted securities is normally the ex-dividend date.

(v) Annual Membership Subscriptions

Annual 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.

(vi) Life Membership Subscriptions

Life Membership subscriptions are recognised as revenue when earned over the period of the subscription rather than when the cash is received. Subscriptions are recorded as unearned revenue and are included in Income in Advance. The value of the Life Membership is amortised on a straight line basis over a 15 year period, which represents the expected period over which the member will use the membership.

(vi) Sponsorship

Revenue is recognised where the Society has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Society and there is a liability to provide benefits to the customers which the excess of initial carrying amount of asset over liability amount is recognised as income.

(vii) Fundraising

Revenue from fundraising events is accrued until such time as the particular event occurs, at which time the revenue is recognised in the Statement of Profit or Loss and other Comprehensive Income.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) **Donations & Bequests**

Revenue from bequests and donations, including cash and goods for resale, are recognised in the Statement of Profit or Loss and other Comprehensive Income when the funds have been received, and the Society gains control of the asset.

(d) **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 (h)).

(e) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances and at call deposits.

(f) **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.

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.

(g) **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.

(h) **Impairment**

Non-Financial Assets

The carrying amounts of the Society's assets other than inventories (see accounting policy (g)) are reviewed at each balance 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 (h)(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.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(i) 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 (h)). 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 costs 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.

(j) 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.

(k) 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.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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. Superannuation obligations for contributions to superannuation plans are expensed as the related service is provided.

(l) **Animal 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. No carrying value is attributed to the animals that are either transferred from other Zoological organisations or bred by the Society.

(m) **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.

(n) **Leases**

(i) **Leased assets**

At commencement or on modification of a contract that contains a lease component, the Society allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Society has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Society recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain measurements of the lease liability.

The Society is not required to fair value the right-of-use asset relating to its Monarto Safari Park peppercorn land lease. The Society has elected to measure the right-of-use asset at cost.

(ii) **As a lessee**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Society's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Society's estimate of the amount expected to be payable under a residual value guarantee, if the Society changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

(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

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 2: REVENUES AND EXPENSES

	Note	2021			2020
		Adelaide Zoo	Monarto Safari Park	Society	Total
		\$	\$	\$	\$
REVENUE	1(b)				
Admissions		5,448,780	3,407,926	-	8,856,706
Education		609,995	235,736	-	845,731
Sponsorship		221,863	91,482	978,112	1,291,457
Bequests		-	-	263,303	263,303
Donations		-	500	707,301	707,801
Membership		-	-	3,839,832	3,839,832
Retail Sales		1,312,457	760,422	-	2,072,879
Catering Sales		200,531	125,673	-	326,204
Tours Income		220,099	1,281,656	-	1,501,755
Events		200,036	-	30,985	231,021
Sundry Sales/Income		179,664	43,665	69,835	293,164
Gain on Sale of Land		-	-	14,651	14,651
Insurance Recoveries		-	-	1,677,273	1,677,273
Grants	3	-	55,367	16,348,143	16,403,510
Total Revenue		8,393,425	6,002,427	23,929,435	38,325,287
EXPENSES					
Salaries, Wages & On-Costs		6,993,424	4,082,402	5,839,462	16,915,288
Animal Care		433,304	601,528	120,340	1,155,172
Maintenance Consumables		1,212,769	696,168	94,717	2,003,654
Cost of Sales		737,398	348,766	-	1,086,164
Conservation & Research Projects		-	-	1,337,724	1,337,724
Utilities		463,332	282,064	-	745,396
Marketing & Promotion		24,195	191	453,587	477,973
Tours & Experiences		93,515	1,482,983	2,409	1,578,907
Depreciation		-	-	2,581,298	2,581,298
Other Expenses		253,282	98,513	1,178,651	1,530,446
Total Expenses		10,211,219	7,592,615	11,608,188	29,412,022

NOTE 3: GOVERNMENT AND OTHER GRANTS

The South Australian Government provided general funding of \$6,036,026 (2020: \$5,928,767) during the year for operating purposes. Grant income of \$6,323,433 (2020: \$210,000) was recognised for the Monarto Safari Park Visitor Centre build which is a combination of State and Federal Government grants. The Society also received JobKeeper Federal Government funding of \$2,425,500 (2020: \$2,085,000). Other Grants (Government and non-Government) totalling \$1,618,551 (2020: \$1,396,312) 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.

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 2021**

NOTE 4: CASH AND CASH EQUIVALENTS

	Note	2021	2020
		\$	\$
Cash on hand		54,969	42,828
Cash at bank		1,520,509	2,229,435
Short-term investments – bank deposits		958	-
		<u>1,576,436</u>	<u>2,272,263</u>

NOTE 5: RECEIVABLES AND PREPAYMENTS

	Note	2021	2020
		\$	\$
Federal Government Funding		6,305,560	1,395,532
Sundry Debtors		244,045	576,415
Prepaid Expenses		522,411	106,453
GST Receivable		538,693	17,893
		<u>7,610,709</u>	<u>2,096,293</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

	Note	2021	2020
		\$	\$
Investments in listed corporations – at fair value			
- shares in listed corporations		449,619	378,093
		<u>449,619</u>	<u>378,093</u>

During the year, the Society received dividends of \$9,992 (2020: \$21,606) which have been recognised within finance income.

NOTE 7: PROPERTY, PLANT & EQUIPMENT

	Note	2021	2020
		\$	\$
Land and Buildings at cost		50,262,460	49,986,087
Less: Accumulated Depreciation		(18,656,428)	(17,446,600)
		<u>31,606,032</u>	<u>32,539,487</u>
Exhibits at cost		21,551,843	21,137,144
Less: Accumulated Depreciation		(12,885,382)	(12,145,947)
		<u>8,666,461</u>	<u>8,991,197</u>
Plant & Equipment at cost		6,342,992	6,124,974
Less: Accumulated Depreciation		(4,435,011)	(3,970,348)
		<u>1,907,981</u>	<u>2,154,626</u>
Motor Vehicles at cost		2,834,948	2,649,373
Less: Accumulated Depreciation		(1,592,933)	(1,457,747)
		<u>1,242,015</u>	<u>1,191,626</u>

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 2021**

NOTE 7: PROPERTY, PLANT & EQUIPMENT (Continued)

	Note	2021	2020
		\$	\$
Construction in Progress			
- Adelaide		223,173	303,459
- Monarto		11,549,749	3,594,818
- Society		70,433	-
		<u>11,843,355</u>	<u>3,898,277</u>
Total Property, Plant & Equipment – net book value		<u>55,265,844</u>	<u>48,775,213</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	32,539,487	8,991,197	2,154,626	1,191,626	3,898,277	48,775,213
Additions	160,048	150,308	153,292	217,762	8,431,431	9,112,841
Transfers	116,325	264,390	64,726	-	(445,441)	-
Disposals	-	-	-	-	(40,912)	(40,912)
Depreciation	(1,209,828)	(739,434)	(464,663)	(167,373)	-	(2,581,298)
Carrying Amount at the end of the year	<u>31,606,032</u>	<u>8,666,461</u>	<u>1,907,981</u>	<u>1,242,015</u>	<u>11,843,355</u>	<u>55,265,844</u>

NOTE 8: INVENTORIES

	Note	2021	2020
		\$	\$
Finished Goods		376,793	553,724
		<u>376,793</u>	<u>553,724</u>

During the period ended 30 June 2021, no inventories were considered non-recoverable and written off (30 June 2020: \$Nil) and no inventories were provided for as potentially impaired (30 June 2020: \$Nil).

NOTE 9: EMPLOYEE BENEFITS

	Note	2021	2020
		\$	\$
Current Liabilities			
Annual Leave		1,469,676	1,392,515
Sick Leave Bonus		239,023	223,998
Long Service Leave		2,160,927	1,985,382
		<u>3,869,626</u>	<u>3,601,895</u>
Non Current Liabilities			
Long Service Leave		361,264	356,048
		<u>361,264</u>	<u>356,048</u>
Total		<u>4,230,890</u>	<u>3,957,943</u>

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 2021

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.

	Note	2021 \$	2020 \$
Total facilities available:			
Fully Drawn Advance ¹		314,777	615,630
Secured Business Loan ²		2,550,000	3,400,000
Hire Purchase ³		495,271	642,570
Overdraft ⁴		-	-
		<u>3,360,048</u>	<u>4,658,200</u>
Facilities utilised at reporting date:			
Current			
Fully Drawn Advance ¹		314,777	300,853
Secured Business Loan ²		2,550,000	850,000
Hire Purchase ³		151,720	148,328
		<u>3,016,497</u>	<u>1,299,181</u>
Non Current			
Fully Drawn Advance ¹		-	314,777
Secured Business Loan ²		-	2,550,000
Hire Purchase ³		343,551	494,242
		<u>343,551</u>	<u>3,359,019</u>
Total		<u>3,360,048</u>	<u>4,658,200</u>

1. The Fully Drawn Advance is held with the South Australian Government. The facility is unsecured, matures in May 2022 and is subject to an interest rate of 4.55% pa.
2. The secured business loan facility is held with Australia and New Zealand Banking Group (ANZ). The facility is secured by mortgage over freehold land held by the Society at Monarto that matures on 30 June 2022 and is subject to an interest rate of 5.32% p.a. The freehold land securing the loan has a carrying value of \$1,447,423. The Society signed a variation to the facility on 29 June 2021 and will not make any loan principle repayments during the 2021-22 financial year. Due to the variation expiring on 30 June 2022 the full balance of the facility has been classified as a current liability. The Society is expecting to negotiate a new facility upon expiry of the current agreement.
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

	Note	2021 \$	2020 \$
Trade and Other Payables		2,717,436	503,136
Insurance Recoveries		-	1,700,000
Accruals		2,066,540	1,155,590
		<u>4,783,976</u>	<u>3,358,726</u>

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 12: INCOME IN ADVANCE

	Note	2021	2020
		\$	\$
Current Income in Advance			
Grants in Advance		748,372	653,800
Income Received in Advance		3,723,957	2,093,188
Member Fees Received in Advance		1,664,476	1,982,391
Life Member Fees Received in Advance		422,997	367,922
		<u>6,559,802</u>	<u>5,097,301</u>
Non Current Income in Advance			
Member Fees Received in Advance		138,919	185,797
Life Member Fees Received in Advance		3,597,083	3,072,655
		<u>3,736,002</u>	<u>3,258,452</u>

NOTE 13: COMMITMENTS

	Note	2021	2020
		\$	\$
Capital Expenditure Commitments			
Significant capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements.			
- Property, Plant & Equipment ¹		9,872,063	-
Total		<u>9,872,063</u>	<u>-</u>

1. Contracted expenditure for the construction of a replacement visitor centre at Monarto Safari Park which is expected to be completed in February 2022.

	Note	2021	2020
		\$	\$
Operating Lease Expense Commitments			
Non-cancellable operating leases contracted for but not recognised in the financial statements.			
Payable – minimum lease payments:			
- Within one year		45,110	45,110
- One year or later and no later than five years		101,499	146,609
- Later than five years		-	-
Total		<u>146,609</u>	<u>191,719</u>

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 financial year and up until the date of this report are as follows. Board members were in office for the entire year unless otherwise stated.

Ms J Riedstra	President
Mr D Mutton	Vice President
Mr D Sanders	Elected Member
Prof K Helgen	Elected Member
Prof C Tilt	Elected Member (Resigned 19 November 2020)
Peter McCarthy	Elected Member (Commenced 19 November 2020)
Dr S Robinson	Elected Member
Ms K Thiele	Board Appointed Member
Mr R Buchecker	Board Appointed Member
Mr B Spurr AO	Board Appointed Member

The Board members did not receive Directors fees or other compensation from the Society during the financial year.

Key management personnel disclosures

	2021	2020
	\$	\$
The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:		
Key management personnel compensation	1,305,066	1,279,798

Key management personnel includes:

Chief Executive and Directors of Community Engagement, Corporate Services, Adelaide Zoo Life Sciences, Monarto Safari Park, People & Performance and Property & Development.

ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	2021 \$	2020 \$
Financial Assets			
Cash and cash equivalents	4	1,576,436	2,272,263
Receivables	5	6,549,605	1,989,840
Financial Assets at Fair Value	6	449,619	378,093
Total Financial Assets		8,575,660	4,640,196
Financial Liabilities			
Sundry Creditors	11	4,783,976	3,358,726
Loans and borrowings	10	3,360,048	4,658,200
Total Financial Liabilities		8,144,024	8,016,926

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 19 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and the Associations Incorporation Act 1985 (as amended), including:
 - (i) presents fairly in all material respects of the financial position of the Society as at 30 June 2021 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 26th day of October 2021.

Ms J Riedstra
President

Mr D Mutton
Vice President



Independent Auditor's Report

To the Members of Royal Zoological Society of South Australia Inc

Opinion

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

In our opinion, the accompanying Financial Report of the Society is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Society's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2021.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. The 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 (including Independence Standards)* (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.

Material uncertainty related to going concern

We draw attention to Note1(b), "Going Concern" in the Financial Report. The conditions disclosed in Note 1(b) indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Financial Report. Our opinion is not modified in respect to this matter.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view Financial Report in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. 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.
- iii. Assessing the Society's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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.

We also:

- i. 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 our 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.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Society's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude 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 registered 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 registered Society to cease to continue as a going concern.
- v. 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.



We communicate with the Directors of the registered 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.

KPMG
KPMG

Neil Ediriweera
Neil Ediriweera
Partner

Adelaide

26 October 2021



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 Royal Zoological Society of South Australia Inc

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 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
KPMG

Neil Ediriweera
Partner

Adelaide

26 October 2021