

**ROYAL ZOOLOGICAL SOCIETY  
OF SOUTH AUSTRALIA INC**

**ABN: 38 750 470 952**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2023**

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Admissions, Membership and Other Revenue		28,968,877	20,330,605
Grants	2/3	7,758,760	17,310,076
Insurance Recoveries		1,014,374	912,467
Sundry Sales/Income		591,690	426,993
Bequests		299,281	1,656,381
<b>Total Revenue</b>	2	<u>38,632,982</u>	<u>40,636,522</u>
<b>Expenses</b>			
Salaries, Wages & On-Costs		(19,630,167)	(17,748,984)
Animal Care		(1,392,529)	(1,181,067)
Maintenance Consumables		(2,608,964)	(2,327,346)
Cost of Sales		(1,568,928)	(1,119,420)
Conservation & Research Projects		(1,636,312)	(1,478,848)
Utilities		(940,957)	(791,828)
Marketing & Promotion		(709,899)	(781,850)
Tours & Experiences		(3,540,993)	(2,370,786)
Depreciation		(3,283,241)	(2,614,658)
Other Expenses		(2,247,947)	(1,706,380)
<b>Total Expenses</b>	2	<u>(37,559,937)</u>	<u>(32,121,167)</u>
<b>Surplus from operating activities</b>		<u>1,073,045</u>	<u>8,515,355</u>
Finance Income		159,843	42,605
Finance Expenses		(63,730)	(106,017)
Net Financing Expense		96,113	(63,412)
<b>Surplus for the Year</b>		<u>1,169,158</u>	<u>8,451,943</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		11,255	(33,404)
<b>Total Other Comprehensive Income / (Loss) for the year</b>		<u>11,255</u>	<u>(33,404)</u>
<b>Total Comprehensive Income for the year attributable to members</b>		<u>1,180,413</u>	<u>8,418,539</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 2023**

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	3,912,953	4,160,172
Receivables and Prepayments	5	1,555,446	3,092,048
Inventories	7	531,748	457,386
Total Current Assets		6,000,147	7,709,606
<b>Non Current Assets</b>			
Financial Assets at Fair Value	12	442,240	380,356
Property, Plant and Equipment	6	65,863,253	64,807,995
Total Non Current Assets		66,305,493	65,188,351
<b>Total Assets</b>		72,305,640	72,897,957
<b>Current Liabilities</b>			
Sundry Creditors	10	1,624,505	3,439,407
Income in Advance	11	6,813,144	7,269,818
Loans and Borrowings	9	747,123	155,227
Employee Benefits	8	4,474,402	3,992,632
Total Current Liabilities		13,659,174	14,857,084
<b>Non Current Liabilities</b>			
Loans and Borrowings	9	2,002,234	2,741,160
Income in Advance	11	4,171,819	3,979,621
Employee Benefits	8	264,778	292,870
Total Non Current Liabilities		6,438,831	7,013,651
<b>Total Liabilities</b>		20,098,005	21,870,735
<b>Net Assets</b>		52,207,635	51,027,222
<b>Equity</b>			
Reserves	14	38,424	27,169
Retained Funds		52,169,211	51,000,053
<b>Total Equity</b>		52,207,635	51,027,222

*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 2023**

	<b>Fair Value Reserves</b>	<b>Retained Funds</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	60,573	42,548,110	42,608,683
Profit/(Loss) for the year	-	8,451,943	8,451,943
<b>Other Comprehensive Income</b>			
Change in fair value of financial assets at fair value through other comprehensive income	(33,404)	-	(33,404)
<b>Total Other Comprehensive Income/(Loss) for the year</b>	(33,404)	-	(33,404)
<b>Total Comprehensive Income/(Loss) for the year</b>	(33,404)	8,451,943	8,418,539
<b>Balance at 30 June 2022</b>	27,169	51,000,053	51,027,222
<b>Balance at 1 July 2022</b>	27,169	51,000,053	51,027,222
Profit/(Loss) for the year	-	1,169,158	1,169,158
<b>Other Comprehensive Income</b>			
Change in fair value of financial assets at fair value through other comprehensive income	11,255	-	11,255
<b>Total Other Comprehensive Income/(Loss) for the year</b>	11,255	-	11,255
<b>Total Comprehensive Income/(Loss) for the year</b>	11,255	1,169,158	1,180,413
<b>Balance at 30 June 2023</b>	38,424	52,169,211	52,207,635

*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 2023**

	Note	2023 \$	2022 \$
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>			
Receipts			
Receipts from customers		26,791,472	23,981,257
Donations, Bequests and Sponsorships		3,456,753	3,856,257
Payments			
Wages and Salaries		(19,233,446)	(17,730,598)
Suppliers		(14,528,006)	(14,928,908)
Conservation & Research Projects		(1,636,312)	(1,478,848)
<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>(5,149,539)</b>	<b>(6,300,840)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment		(4,440,970)	(12,156,809)
Sale/(Purchase) of Shares and Investments		(50,629)	35,859
Interest and dividends received		159,843	42,605
<b>Net Cash Provided by/(Used in) Capital and Investing Activities</b>		<b>(4,331,756)</b>	<b>(12,078,345)</b>
<b>Cash Flows from Financing Activities</b>			
Net State Government Grants Received		5,904,391	6,146,592
Net Other Grants Received		3,540,445	15,386,007
Net Repayment of Borrowings		(147,030)	(463,661)
Payment of Interest		(63,730)	(106,017)
<b>Net Cash Provided by Financing Activities</b>		<b>9,234,076</b>	<b>20,962,921</b>
<b>Net (Decrease)/Increase in Cash Held</b>		<b>(247,219)</b>	<b>2,583,736</b>
<b>Cash at the Beginning of the Year</b>		<b>4,160,172</b>	<b>1,576,436</b>
<b>Cash at the End of the Year</b>	4	<b>3,912,953</b>	<b>4,160,172</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 2023

### 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 24 October 2023.

#### (a) Basis of Preparation

In the opinion of the directors, the Society is not publicly accountable.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified 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 6 – Property, Plant and Equipment
- Note 8 – Employee Benefits
- Note 10 – Sundry Creditors
- Note 11 – 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.

# ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 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 \$1.17m (2022: \$8.45m). As at 30 June 2023, the Society has net assets of \$52.21m (2022: \$51.03m) however has a working capital deficiency of \$7.66m. Included in current liabilities is \$6.81m of income received in advance which is not expected to require repayment and employee provisions of \$4.47m, the majority of which are not anticipated to be settled within the next 12 months.

The Board has prepared a cash flow forecast of the Society to 31 October 2024 which indicates that it will be able to meet its obligations as and when they fall due. The cash flow forecast includes revenue estimates that are in line with normal trading conditions, as well as assuming that the cash flows from the Wild Africa precinct are in line with expectations.

The cash flow forecast is particularly sensitive to the Society achieving its visitation and revenue forecast. A decrease in the visitation and revenue forecast would result in the Society needing to reduce operating costs and capital expenditure.

The current ANZ facility is due to expire on 27 April 2027, and it will be fully repaid at that time. The balance owing at 30 June 2023 is \$2.55m. The facility required no repayments be made during 2022/23, with repayments to commence during 2023/24. In September 2023 ANZ approved an additional facility to fund construction costs for an upgraded Elephant habitat at Monarto Safari Park. This facility has a \$2.00m limit and at the time of signing the Financial Statements was not called upon.

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 continued 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, in the event that the cash flows of the Society are lower than anticipated, and the Society is unable to obtain additional funding from the State Government or other sources, then 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 2023

### 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.

(vii) **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.

(viii) **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 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ix) **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 2023

### 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 2023

### 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 2023**

**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.

**(p) New and Amended Standards Adopted by the Society**

There is no material impact on the Company's financial statements from amendments to Australian Accounting Standards that were effective from 1 July 2022.



# ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### NOTE 2: REVENUES AND EXPENSES

	Note	2023				2022
		Adelaide Zoo	Monarto Safari Park	Society	Total	Total
		\$	\$	\$	\$	\$
<b>REVENUE</b>	1(b)					
Admissions		7,842,622	4,337,537	-	12,180,159	8,175,496
Education		725,017	297,592	-	1,022,609	722,509
Sponsorship		144,338	112,558	1,083,868	1,340,764	1,454,080
Bequests		-	-	299,281	299,281	1,656,381
Donations		-	-	1,653,097	1,653,097	738,276
Membership		-	-	4,222,081	4,222,081	3,677,146
Retail Sales		2,130,018	1,380,130	-	3,510,148	2,199,687
Catering Sales		539,728	165,199	-	704,927	432,987
Tours Income		406,265	1,678,092	-	2,084,357	1,614,341
Events		2,075,005	-	175,730	2,250,735	1,316,083
Sundry Sales/Income		173,528	30,231	387,931	591,690	426,993
Insurance Recoveries		-	-	1,014,374	1,014,374	912,467
Grants	3	164,500	62,361	7,531,899	7,758,760	17,310,076
<b>Total Revenue</b>		<b>14,201,021</b>	<b>8,063,700</b>	<b>16,368,261</b>	<b>38,632,982</b>	<b>40,636,522</b>
<b>EXPENSES</b>						
Salaries, Wages & On-Costs		7,624,306	5,257,691	6,748,170	19,630,167	17,748,984
Animal Care		464,135	763,746	164,648	1,392,529	1,181,067
Maintenance Consumables		1,282,351	1,205,859	120,754	2,608,964	2,327,346
Cost of Sales		935,596	633,332	-	1,568,928	1,119,420
Conservation & Research Projects		-	-	1,636,312	1,636,312	1,478,848
Utilities		496,918	444,039	-	940,957	791,828
Marketing & Promotion		54,674	7	655,218	709,899	781,850
Tours & Experiences		1,439,153	2,098,776	3,064	3,540,993	2,370,786
Depreciation		-	-	3,283,241	3,283,241	2,614,658
Other Expenses		358,950	138,232	1,750,765	2,247,947	1,706,380
<b>Total Expenses</b>		<b>12,656,083</b>	<b>10,541,682</b>	<b>14,362,172</b>	<b>37,559,937</b>	<b>32,121,167</b>

### NOTE 3: GOVERNMENT AND OTHER GRANTS

The South Australian Government provided general funding of \$5,904,391 (2022: \$6,146,592) during the year for operating purposes. Other Grants (Government and non-Government) totalling \$1,854,369 (2022: \$11,163,484) 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 2023**

**NOTE 4: CASH AND CASH EQUIVALENTS**

	Note	2023 \$	2022 \$
Cash on hand		47,884	24,999
Cash at bank		3,846,210	4,084,808
Short-term investments – bank deposits		18,859	50,365
Total		<u>3,912,953</u>	<u>4,160,172</u>

**NOTE 5: RECEIVABLES AND PREPAYMENTS**

	Note	2023 \$	2022 \$
Federal Government Funding		-	2,001,275
Sundry Debtors		678,387	652,862
Prepaid Expenses		482,867	432,711
GST Receivable		394,192	5,200
Total		<u>1,555,446</u>	<u>3,092,048</u>

**NOTE 6: PROPERTY, PLANT & EQUIPMENT**

	Note	2023 \$	2022 \$
Land and Buildings at cost		66,466,642	67,328,930
Less: Accumulated Depreciation		(21,484,152)	(19,965,953)
		<u>44,982,490</u>	<u>47,362,977</u>
Exhibits at cost		22,946,713	21,813,627
Less: Accumulated Depreciation		(14,384,029)	(13,626,312)
		<u>8,562,684</u>	<u>8,187,315</u>
Plant & Equipment at cost		9,630,085	6,855,782
Less: Accumulated Depreciation		(5,614,963)	(4,814,298)
		<u>4,015,122</u>	<u>2,041,484</u>
Motor Vehicles at cost		3,585,105	3,036,838
Less: Accumulated Depreciation		(1,984,509)	(1,777,848)
		<u>1,600,596</u>	<u>1,258,990</u>
Construction in Progress			
- Adelaide		85,992	66,470
- Monarto		6,616,369	5,713,690
- Society		-	177,069
		<u>6,702,361</u>	<u>5,957,229</u>
Total Property, Plant & Equipment – net book value		<u>65,863,253</u>	<u>64,807,995</u>

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 6: PROPERTY, PLANT & EQUIPMENT (Continued)**

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	47,362,977	8,187,315	2,041,484	1,258,990	5,957,229	64,807,995
Additions	51,910	75,921	316,809	548,267	3,448,064	4,440,971
Transfers	(914,197)	1,057,164	2,457,494	-	(2,600,461)	-
Disposals	-	-	-	-	(102,471)	(102,471)
Depreciation	(1,518,200)	(757,716)	(800,665)	(206,661)	-	(3,283,242)
Carrying Amount at the end of the year	44,982,490	8,562,684	4,015,122	1,600,596	6,702,361	65,863,253

**NOTE 7: INVENTORIES**

	Note	2023 \$	2022 \$
Finished Goods		531,748	457,386
		531,748	457,386

During the period ended 30 June 2023, no inventories were considered non-recoverable and written off (30 June 2022: \$Nil) and no inventories were provided for as potentially impaired (30 June 2022: \$Nil).

**NOTE 8: EMPLOYEE BENEFITS**

	Note	2023 \$	2022 \$
<b>Current Liabilities</b>			
Annual Leave		1,716,536	1,485,869
Sick Leave Bonus		230,317	229,184
Long Service Leave		2,527,549	2,277,579
		4,474,402	3,992,632
<b>Non Current Liabilities</b>			
Long Service Leave		264,778	292,870
		264,778	292,870
Total		4,739,180	4,285,502

# ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### NOTE 9: 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	2023 \$	2022 \$
Total facilities utilised at reporting date:		
Secured Business Loan <sup>1</sup>	2,550,000	2,550,000
Hire Purchase <sup>2</sup>	199,357	346,387
	<u>2,749,357</u>	<u>2,896,387</u>
Facilities utilised at reporting date:		
<b>Current</b>		
Secured Business Loan <sup>1</sup>	637,500	-
Hire Purchase <sup>2</sup>	109,623	155,227
	<u>747,123</u>	<u>155,227</u>
<b>Non Current</b>		
Secured Business Loan <sup>1</sup>	1,912,500	2,550,000
Hire Purchase <sup>2</sup>	89,734	191,160
	<u>2,002,234</u>	<u>2,741,160</u>
Total	<u>2,749,357</u>	<u>2,896,387</u>

- 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 27 April 2027 and is subject to a weighted average interest rate of 6.82% p.a. The freehold land securing the loan has a carrying value of \$1,447,423. The facility did not require any loan principle repayments to be made during the 2022-23 financial year, however principle repayments of \$637,500 will be repaid in 2023-24 and have therefore been classified as a current liability at 30 June 2023.
- Hire purchase liabilities are effectively secured as rights to the leased assets. These revert to the lessor in the event of default.

### Facility Arrangements

Unrestricted access was available at balance date to the following lines of credit:

#### ANZ – Asset Finance Facility

Total Facilities	324,412	324,412
Less: Facilities used at balance date	(175,295)	(281,290)
Unused at balance date	<u>149,117</u>	<u>43,122</u>

#### ANZ – Corporate Card Facility

Total Facilities	115,000	115,000
Less: Facilities used at balance date	(30,555)	(20,478)
Unused at balance date	<u>84,445</u>	<u>94,522</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 2023**

**NOTE 9: LOANS AND BORROWINGS (Continued)**

	Note	2023	2022
		\$	\$
<b>ANZ – Commercial Loan Facility</b>			
Total Facilities		2,550,000	2,550,000
Less: Facilities used at balance date		(2,550,000)	(2,550,000)
Unused at balance date		-	-

**NOTE 10: SUNDRY CREDITORS**

	Note	2023	2022
		\$	\$
Trade and Other Payables		989,012	2,777,172
Accruals		635,493	662,235
Total		1,624,505	3,439,407

**Change in Estimate**

At 30 June 2022 the Society had recognised an amount payable of \$1,387,533 representing a refund to South Australia Government Financing Authority arising from an estimated overpayment of Business Interruption proceeds received due to the COVID business interruption. This was reassessed in 2022-23 and the amount to be refunded reduced to \$373,159. This change in estimate of \$1,014,374 resulted in the excess provision at 30 June 2022 being reversed in 2022-23. This was recognised in the Financial Statements as Insurance Recoveries revenue and a reduction to reduce Trade and Other Payables.

**NOTE 11: INCOME IN ADVANCE**

	Note	2023	2022
		\$	\$
<b>Current Income in Advance</b>			
Grants in Advance		671,831	824,030
Income Received in Advance		3,564,159	4,186,264
Member Fees Received in Advance		2,068,420	1,792,385
Life Member Fees Received in Advance		508,734	467,139
Total		6,813,144	7,269,818
<b>Non Current Income in Advance</b>			
Member Fees Received in Advance		24,720	84,714
Life Member Fees Received in Advance		4,147,099	3,894,907
Total		4,171,819	3,979,621

**ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 12: FINANCIAL INSTRUMENTS**

This note provides information about the carrying amounts of financial assets and financial liabilities.

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets measured at fair value through other comprehensive income</b>			
Shares in listed corporations		442,240	380,356
Total		442,240	380,356

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	4	3,912,953	4,160,172
Trade receivables <sup>1</sup>	5	678,387	2,654,137
Total		4,591,340	6,814,309

**Financial liabilities measured at amortised cost**

Secured bank loans	10	2,550,000	2,550,000
Unsecured State Government loan	10	0	-
Trade payables <sup>1</sup>	11	989,012	2,777,172
Total		3,539,012	5,327,172

1. Other receivables and payables that are not financial instruments (contract assets, prepayments and refund liabilities) are not included.

**NOTE 13: COMMITMENTS**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<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>		-	1,332,170
Total		-	1,332,170

1. At 30 June 2023 there were no capital expenditure commitments. 2022 included contracted expenditure for the construction of a new visitor centre at Monarto Safari Park. The Society was issued with a certificate of practical completion for the building on 26 March 2022.

# ROYAL ZOOLOGICAL SOCIETY OF SOUTH AUSTRALIA INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### NOTE 13: COMMITMENTS (Continued)

	Note	2023 \$	2022 \$
<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		45,110	45,110
- One year or later and no later than five years		11,278	56,388
- Later than five years		-	-
Total		56,388	101,498

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

Ms J Riedstra	President
Mr D Mutton	Vice President
Prof K Helgen	Elected Member
Dr D Martin	Elected Member
Peter McCarthy	Elected Member
Dr S Robinson	Elected Member (Resigned 21 February 2023)
Mr G Bates	Board Appointed Member
Mr B Spurr AO	Board Appointed Member (Deceased 4 July 2022)
Ms Ursula Bradshaw	Board Appointed Member (Appointed 6 December 2022)
Mr R Buchecker	Board Appointed Member (Term ended 31 January 2023)
Mr Tyson Grubb	Casual Vacancy Member (Appointed 28 March 2023)
Mr Eoin Loftus	Board Appointed Member (Appointed 2 May 2023)

#### Key management personnel disclosures

	2023 \$	2022 \$
The totals of remuneration paid to key management personnel of the association during the year are as follows:		
Key management personnel compensation	1,315,715	1,317,935

Key management personnel includes:

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

*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 2023**

**NOTE 16: AUDITORS' REMUNERATION**

	Note	2023 \$	2022 \$
<hr/>			
<b>Audit Services</b>			
Auditors of the Society are KPMG			
- Audit and review of financial statements		45,980	37,778
		<hr/>	<hr/>

No non-audit services were performed by KPMG during the year.

**NOTE 17: EVENTS AFTER BALANCE DATE**

In September 2023 ANZ approved an additional facility to fund construction costs for an upgraded Elephant habitat at Monarto Safari Park. This facility has a \$2.00m limit and at the time of signing the Financial Statements was not called upon.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the 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 20 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 2023 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Simplified Disclosures 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 24 October 2023.



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Ms J Riedstra  
President



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Ms U Bradshaw  
Board Member



# 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 2023, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards - Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2023.
- 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 these requirements.

We confirm that the independence declaration required by the *ACNC Act 2012*, which has been given to the Directors' of the Society on 24 October 2023, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

## Material Uncertainty related to Going Concern

We draw attention to Note 1(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 in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.
- 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.

A handwritten signature of the KPMG firm in blue ink, written in a stylized, cursive-like font.

KPMG

A handwritten signature in blue ink, appearing to read 'Neil Ediriweera', written in a cursive style.

Neil Ediriweera  
Partner

Adelaide

26 October 2023