

## Zoos SA 2010 -2011 Annual Report

### Question and Answer Document



The extract of the Financial Accounts included in the 2010 – 2011 Zoos SA Annual Report is pending final sign off by the Directors and Auditors. The signing of the Financial Accounts is subject to final resolution with the SA Government and Westpac Bank. Once this matter has been resolved then the Audited Accounts will be signed and made available to Society Members.

This document has been produced to clarify some matters about the extract of the Financial Statements which is included in the 2010 – 2011 Zoos SA Annual Report.

It is important to remember the following when reading the Zoos SA 2010 – 2011 Annual Report:

- Zoos SA purchased the business at Warrawong and commenced running the operations from 1 July, 2010.
- Resources at Adelaide Zoo have increased to cater for the increase in visitor numbers.
- Infrastructure at Adelaide Zoo has increased to comply with the national standards of housing Zoo animals.

#### ***Why was the revenue lower for 2011 than the previous (2010) financial year?***

The revenue for 2010 included grant monies of \$11.1 million from the State Government for the predominant purpose of constructing a new Adelaide Zoo entrance precinct; the annual contribution from State Government of \$3.1 million is also included in the 2010 total revenue figure. The revenue for 2011 included the annual \$3.1 million contribution from State Government and an additional \$2 million that State Government advanced from their 2012 financial year annual contribution.

#### ***Why have the salaries and wages increased for the 2011 financial year?***

Salaries and wages increased due to several factors:

- the purchase of the business at Warrawong;
- additional science and field staff were employed to service a \$1.1 million Job Grant received from the Commonwealth Government for conservation work in the Kimberley region;
- Salaries and employee related expenses increased by CPI.

#### ***Why have the expenses for Conservation and Research projects increased for 2011?***

During the year the Society received an increase in grant monies for projects. To complete these projects required additional employees and expenditure. A significant portion of conservation and research expenditure is fully funded by grant income.

***Why have the Utilities increased (doubled) in one year?***

Utilities increased for the 2011 year from \$313,085 to \$609,505 due to a range of factors:

- the expanded facilities at Adelaide Zoo, including the new state of the art front entrance precinct (that now houses gate staff and administration staff);
- the operating of the new Santos Conservation Centre;
- servicing the award winning function area (Sanctuary Adelaide Zoo), and the increase of functions being held on site;
- The Bamboo Forest was also operational for a full 12 month period, verses only 6 months the previous financial year;
- Zoos SA purchased the Warrawong business with operations commencing on 1 July, 2010.

Overall, general power costs, water and waste water costs have increased significantly.

***The marketing and promotions expense is significantly lower in 2011 than the previous year. Why is this?***

Extensive marketing was conducted locally, intrastate, interstate and overseas in the 2009 – 2010 financial year prior to the arrival of the Giant Pandas. This intense marketing continued after the pandas' arrival to maintain the awareness momentum. The marketing for Monarto Zoo also increased to encourage cross-promotion from the increased traffic at Adelaide Zoo. 2011 has seen a return to sustainable marketing levels.

***The "profit before financing income" is significantly less in 2011 compared with the 2010 figure. Why is this?***

Refer point 1 of this document.

***The 2011 figure for "Cash and Cash Equivalents" as mentioned on the balance sheet is significantly lower in 2010 than 2011. Why is this?***

There was a delay in information exchange and reporting from China which impacted on the timing of payments leading to cash remaining on hand over the year end.

***Why has the cash flow from operating activities for Donations, Bequests and Sponsorship decreased in 2011?***

There were several significant bequests in 2010. These are not predictable and there were no significant receipts in 2011. Other donations were also lower due to a more difficult economic period.

***Why has the cash flow from operating activities for "Payments – other" increased for 2011?***

The additional expenses related to Conservation Grant funded projects.

***The Net Government Grants received for 2011 was higher than in 2010. Why is this?***

There was an increase in the Net Government Grants received by Zoos SA for 2011 due to the \$2 million advance from the Government from the 2012 financial year Government allocation.