

**ROYAL BOTANIC GARDENS BOARD VICTORIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Note 1: Summary of Significant Accounting Policies

(a) Basis of accounting

The financial report of the Royal Botanic Gardens Board is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards and other mandatory reporting requirements (Urgent Issues Group consensus views), and the requirements of the *Financial Management Act 1994*. It has been prepared on the accrual basis of accounting using historical cost accounting, with the exception of certain non-current assets which, as referred to in note 1(d) below, are stated at valuation. The accounting policies adopted for the financial year are consistent with those of the previous financial year unless otherwise stated.

(b) Royal Botanic Gardens Foundation Victoria

During the 2001 / 2002 financial year Royal Botanic Gardens Foundation Victoria was established with a settled sum of \$100. The Trustee is Royal Botanic Gardens Foundation Victoria Ltd. Under the provisions of the trust deed, it is intended that the Trust will solicit and receive gifts from the public and earn returns on investments. The net operating surplus of the Trust will be set aside to a capital account and the Trustee will pay or apply funds for the purpose of providing benefits to the Named Institutions as the Trustee decides from time to time. The Named Institutions are Royal Botanic Gardens Melbourne, Royal Botanic Gardens Cranbourne and any other Eligible Charity nominated by the Trustee.

(c) Resources provided and received free of charge

Resources received and provided free of charge are recognised at their fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(d) Property, plant and equipment

The cost method of accounting is used for acquisition of assets. Cost is measured as the fair value of assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration, are recognised at their fair value at the date of acquisition.

The cost of property, plant and equipment constructed by the organisation includes the cost of materials and direct labour.

Subsequent to initial recognition as assets, non-current physical assets are measured at either cost or at independent revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are conducted in accordance with Department of Treasury and Finance Guidelines on the Revaluation of Non-Current Physical Assets.

The Office of the Valuer General independently revalued land, buildings and capital improvements as at 30 June 2002. The valuation has been prepared on the basis of fair value. Land, buildings and capital improvements are included in the financial statements at the revalued amount.

Plant, equipment, motor vehicles, and furniture and fittings are measured at cost as per the revised AASB 1041 – Revaluation of Non-Current Assets (July 2001). As these asset classes were previously revalued, the Royal Botanic Gardens Board has applied the transitional provisions of AASB 1041. The reversion to cost of these assets is accounted for by deeming the carrying amount of the non-current assets comprising the class at 1 July 2001 to be their cost.

The monograph collection of the library was valued independently in October 1998 by Barbara Hince, a registered valuer under the Taxation Incentives for the Arts scheme, and Managing Director of Kenneth Hince Old and Fine Books Pty Ltd (member of the Australian and New Zealand Association of Antiquarian Booksellers). It is stated in the financial statements at the revalued amount.

Barbara Hince also valued the Library Periodical collection in June 2001. The valuation has been prepared on the basis of deprival value. It is stated in the financial statements at the revalued amount.

Although the value of the Crown land located at South Yarra and Cranbourne has been included in the Statement of Financial Position, it should be noted that under the provisions of the *Royal Botanic Gardens Act 1991*, the Board is only responsible for the management of the land and does not own these properties.

The State Botanical Collection (with the exception of the library's monograph and periodical collections) is not valued due to the unique and historic significance of the vast majority of the collection, which will be retained in perpetuity.

(e) Depreciation

Property, plant and equipment are depreciated over their estimated useful lives to the Board, using the straight line method of calculation. Depreciation rates are reviewed annually and, if necessary, adjusted so that they will reflect the most recent assessments of the useful lives of the respective assets.

Major depreciation rates are:

| | |
|------------------------------------|-----------|
| Buildings and capital improvements | 1% – 25% |
| Plant and equipment | 10% – 14% |
| Computer equipment | 25% |
| Furniture and fittings | 10% – 20% |
| Monograph | 0% – 20% |

No depreciation is provided for the periodical collections of the library. The Board considers that the collections, due to their unique nature, will appreciate, rather than depreciate in value.

Some antique furniture and equipment are not depreciated, as they are not currently in use.

(f) Inventories

Inventory on hand is valued at the lower of cost and net realisable value.

(g) Revenue recognition

Revenue from sale of goods is recognised when control of goods has passed to the buyer, the amount of revenue can be measured reliably and it is probable that it will be received by the Board.

Government grants, donations, sponsorship and other contributions are recognised as revenues when the organisation gains control over the assets comprising the contributions.

(h) Receivables

All debtors are recognised at the amounts receivable, as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(i) Trade and other creditors

These amounts represent liabilities for goods and services provided by the organisation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Maintenance and repairs

The costs of maintaining property, plant and equipment are charged as expenses as incurred, except where they enhance the value of the asset, in which case the costs are capitalised and depreciated in accordance with note 1(e).

(k) Goods and services tax

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

The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28 Statement of Cash Flows.

(l) Employee benefits**(i) Wages and salaries, sick leave and annual leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Long service leave entitlements which are expected to be payable in the next financial year are classified as current liabilities.

(iii) Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by the organisation to the superannuation funds.

(m) Accounting for leases

A distinction is made between finance and operating leases. Finance leases effectively transfer from the lessor to the lessee all substantial risks and benefits incidental to ownership of the leased asset. Operating leases are those in which the lessor effectively retains all substantial risks and benefits.

Operating lease payments are charged as an expense in the period in which they are incurred. The organisation's liability for lease commitments is shown in Note 17.

(n) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. In particular, Note 4 has been adjusted to reflect a further breakdown in expenses.

(o) Cash

For the purposes of the statement of cash flows, cash includes short term deposits, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value

(p) Contributed Capital

Consistent with UIG Abstract 38 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and Accounting and Financial Reporting Bulletin No. 39 *Accounting for Contributed Capital*, transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(q) Rounding

Unless otherwise stated, amounts in the financial statements have been rounded to the nearest dollar.

Note 2: Revenue

| | 2003 | 2002 |
|--|------------------------|------------------------|
| | \$ | \$ |
| Revenue from operating activities | | |
| Government grants | 10,487,108 | 7,473,728 |
| Sponsorship and donations | 2,146,124 | 1,833,714 |
| Sub-lease rentals | 893,651 | 1,136,126 |
| Sale of goods | 519,983 | 523,222 |
| Rendering of services | 388,529 | 248,360 |
| | <hr/> 14,435,395 | <hr/> 11,215,150 |
| Revenue from non-operating activities | | |
| Interest | 418,538 | 300,111 |
| Resources received free of charge | 411,219 | 376,400 |
| Other revenue | 119,704 | 124,723 |
| | <hr/> 949,461 | <hr/> 801,234 |
| Total Revenue | <hr/> <hr/> 15,384,856 | <hr/> <hr/> 12,016,384 |

Note 3: Result for the Reporting Period**Net gains and expenses**

Result from ordinary activities includes the following specific expenses:

| Expenses | 2003 | 2002 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Depreciation | | |
| Buildings | 184,439 | 293,573 |
| Capital Improvements | 209,923 | 157,515 |
| Plant and Equipment | 355,449 | 334,551 |
| Furniture and Fittings | 85,299 | 83,404 |
| Office and Computer Equipment | 49,790 | 32,600 |
| Library Books | 6,279 | 7,848 |
| Total depreciation | <hr/> 891,179 | <hr/> 909,491 |
| Employee Benefits | | |
| Salary and wages | 5,826,266 | 5,759,561 |
| Superannuation | 581,432 | 537,598 |
| Annual leave and long service leave expense | 592,034 | 428,208 |
| Other on-costs | 414,681 | 421,742 |
| | <hr/> 7,414,413 | <hr/> 7,147,109 |

Note 3: Result for the Reporting Period (Continued)

| | 2003 | 2002 |
|--|-------------|-------------|
| | \$ | \$ |
| Other Provisions | | |
| Employee Benefits | 101,301 | 68,950 |
| Rental expenses relating to operating leases | | |
| Minimum lease payments | 334,215 | 290,670 |

Note 4: Other Operating Expenses

| | 2003 | 2002 |
|--|------------------|------------------|
| | \$ | \$ |
| Other operating expenses include: | | |
| Advertising | 28,131 | 54,978 |
| Audit fees | 12,070 | 11,800 |
| Books, periodicals and subscriptions | 121,901 | 81,347 |
| Building maintenance | 123,527 | 127,407 |
| Cleaning costs | 167,049 | 178,160 |
| Consultancy fees | 203,676 | 119,827 |
| Contract costs | 809,500 | 485,944 |
| EDP expenses | 111,962 | 114,253 |
| Fuel, plant and equipment maintenance | 55,249 | 58,887 |
| Insurance | 56,038 | 46,680 |
| Vehicle leases and running costs | 194,796 | 164,802 |
| Legal costs | 47,883 | 54,730 |
| Materials and stores | 223,406 | 206,118 |
| Minor equipment | 58,590 | 64,349 |
| Office equipment lease and maintenance | 164,236 | 137,611 |
| Plant hire | 14,863 | 15,273 |
| Power and light, gas, rates | 271,452 | 237,983 |
| Printing | 138,798 | 127,588 |
| Public relations | 2,737 | 3,644 |
| Security | 99,935 | 174,827 |
| Staff training and development | 69,793 | 88,840 |
| Telephone and postage | 115,977 | 163,211 |
| Travelling and transportation | 62,793 | 66,682 |
| Disposal of assets other than goods | - | 24,188 |
| Other | 491,939 | 569,737 |
| | <u>3,646,301</u> | <u>3,378,866</u> |

Note 5: Cash Assets

| | 2003 | 2002 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Short term deposits - 180 day deposit | - | 2,568,442 |
| - 30 day deposit | 6,507,527 | 1,500,000 |
| - 11 am call deposit | 997,202 | 1,136,275 |
| Cash at bank and on hand | 842,762 | 294,927 |
| | <u>8,347,491</u> | <u>5,499,644</u> |

Note 6: Receivables

| | 2003 | 2002 |
|----------------|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Debtors | 374,592 | 322,351 |
| Other Debtors | 51,312 | 129,368 |
| | <u>425,904</u> | <u>451,719</u> |

Note 7: Inventories

| | 2003 | 2002 |
|---------------------------|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Inventory held for resale | 220,746 | 185,816 |
| | <u>220,746</u> | <u>185,816</u> |

Note 8: Property, Plant and Equipment

| | 2003 | 2002 |
|--------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Land | | |
| Land at valuation 30 June 2002 | <u>56,600,000</u> | <u>56,600,000</u> |
| Buildings | | |
| At valuation 30 June 2002 | 9,405,700 | 9,405,700 |
| At cost | 34,257 | - |
| Less accumulated depreciation | (184,439) | - |
| | <u>9,255,518</u> | <u>9,405,700</u> |
| Capital improvements | | |
| At valuation 30 June 2002 | 5,100,000 | 5,100,000 |
| At cost | 177,096 | - |
| Less accumulated depreciation | (209,923) | - |
| | <u>5,067,173</u> | <u>5,100,000</u> |

Note 8: Property, Plant and Equipment (Continued)

| | 2003 | 2002 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Plant and equipment | | |
| At cost | 2,563,918 | 2,341,241 |
| Less accumulated depreciation | (682,120) | (326,671) |
| | <u>1,881,798</u> | <u>2,014,570</u> |
| Furniture and fittings | | |
| At cost | 476,761 | 476,761 |
| Less accumulated depreciation | (168,703) | (83,404) |
| | <u>308,058</u> | <u>393,357</u> |
| Office equipment (including computer equipment) | | |
| At cost | 234,506 | 186,579 |
| Less accumulated depreciation | (82,390) | (32,600) |
| | <u>152,116</u> | <u>153,979</u> |
| Library - Monograph collection | | |
| At cost | 4,235,393 | 4,235,393 |
| Less accumulated depreciation | (21,975) | (15,696) |
| | <u>4,213,418</u> | <u>4,219,697</u> |
| Library periodicals | | |
| At cost | <u>1,897,597</u> | <u>1,897,597</u> |
| Total property, plant and equipment at net book value | 79,375,678 | 79,784,900 |
| Capital works under construction | 2,806,024 | 1,171,100 |
| | <u>82,181,702</u> | <u>80,956,000</u> |

Note 8: Property, Plant and Equipment (cont.)

Reconciliations of the carrying amounts of each class of property and equipment at the beginning and end of the current and previous financial year are set out below.

| | Land and Buildings | Capital Improvements | Plant and Equipment | Furniture and Fittings | Motor Vehicles | Office Equipment | Library Monograph | Library Periodicals | In course of construction | Total |
|----------------------------------|--------------------|----------------------|---------------------|------------------------|----------------|------------------|-------------------|---------------------|---------------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2003 | | | | | | | | | | |
| Carrying amount at start of year | 66,005,700 | 5,100,000 | 2,014,570 | 393,357 | - | 153,979 | 4,219,697 | 1,897,597 | 1,171,100 | 80,956,000 |
| Additions | 34,257 | 177,096 | 222,677 | - | - | 47,927 | - | - | 1,634,924 | 2,116,881 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Transfers to assets | - | - | - | - | - | - | - | - | - | - |
| Revaluation increments | - | - | - | - | - | - | - | - | - | - |
| Depreciation expense | (184,439) | (209,923) | (355,449) | (85,299) | - | (49,790) | (6,279) | - | - | (891,179) |
| Carrying amount at end of year | 65,855,518 | 5,067,173 | 1,881,798 | 308,058 | - | 152,116 | 4,213,418 | 1,897,597 | 2,806,024 | 82,181,702 |
| 2002 | | | | | | | | | | |
| Carrying amount at start of year | 56,716,582 | 5,502,634 | 2,232,660 | 456,430 | 31,000 | 147,350 | 4,227,545 | 1,897,597 | 870,591 | 72,082,389 |
| Additions | 471,747 | 142,658 | 127,472 | 20,331 | - | 39,229 | - | - | 300,509 | 1,101,946 |
| Disposals | (35,214) | - | (18,284) | - | (24,800) | - | - | - | - | (78,298) |
| Transfers to assets | 879,370 | (880,443) | 1,073 | - | - | - | - | - | - | - |
| Revaluation increments | 8,266,788 | 492,666 | - | - | - | - | - | - | - | 8,759,454 |
| Depreciation expense | (293,573) | (157,515) | (328,351) | (83,404) | (6,200) | (32,600) | (7,848) | - | - | (909,491) |
| Carrying amount at end of year | 66,005,700 | 5,100,000 | 2,014,570 | 393,357 | - | 153,979 | 4,219,697 | 1,897,597 | 1,171,100 | 80,956,000 |

Note 9: Payables

| | 2003 | 2002 |
|-----------------|-------------|-------------|
| | \$ | \$ |
| Other Creditors | 851,654 | 298,233 |

Note 10: Provisions

| | 2003 | 2002 |
|--|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Employee Benefits | | |
| Annual Leave | 466,304 | 468,130 |
| Long Service Leave | 68,747 | 61,786 |
| | <u>535,051</u> | <u>529,916</u> |
| Non-current | | |
| Employee Benefits | | |
| Long Service Leave | 949,724 | 853,558 |
| | <u>949,724</u> | <u>853,558</u> |
| Aggregate carrying amount of provisions | | |
| Current | 535,051 | 529,916 |
| Non-current | 949,724 | 853,558 |
| | <u>1,484,775</u> | <u>1,383,474</u> |

Note 11: Equity and Movements in Equity

| | 2003 | 2002 |
|--|-------------------|-------------------|
| | \$ | \$ |
| (a) Reserves | | |
| Asset Revaluation Reserve at beginning of year | 22,527,211 | 14,523,952 |
| Adjustments to opening balance | - | (756,195) |
| Movements | | |
| Add Revaluation of Non Current Assets: | | |
| Land | - | 9,100,000 |
| Buildings | - | (833,212) |
| Capital Improvements | - | 492,666 |
| | <u>22,527,211</u> | <u>22,527,211</u> |
| Balance at end of year | <u>22,527,211</u> | <u>22,527,211</u> |

Note 11: Equity and Movements in Equity (Continued)

| | 2003 | 2002 |
|---|-------------------|-------------------|
| | \$ | \$ |
| (b) Contributed Capital | | |
| Contributed Capital at the beginning of the financial year | 62,719,729 | - |
| Recognition of Contributed Capital at 1 July 2001 | - | 62,719,729 |
| Contributed Capital at the end of the financial year | <u>62,719,729</u> | <u>62,719,729</u> |
| (c) Accumulated Surplus | | |
| Accumulated surplus at the beginning of the financial year | 204,518 | 61,963,534 |
| Transfer plant, equipment and vehicles revaluation increments from asset revaluation reserve | | 756,195 |
| Recognition of Accumulated surplus as Contributed Capital as at 1 July 2001 | | (62,719,729) |
| Net result | <u>3,432,963</u> | <u>204,518</u> |
| Accumulated surplus at the end of the financial year | <u>3,637,481</u> | <u>204,518</u> |
| (d) Movements in Equity | | |
| Total equity at the beginning of the financial year | 85,451,458 | 76,487,486 |
| Total changes in equity recognised in the statement of financial performance | <u>3,432,963</u> | <u>8,963,972</u> |
| Total equity at the end of the financial year | <u>88,884,421</u> | <u>85,451,458</u> |
| (e) Nature and Purpose of Reserves | | |
| Asset revaluation reserve | | |
| The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(d). | | |

Note 12: Financial Instruments**(a) Interest Rate Risk Exposures**

| 2003 | Note | Fixed interest maturing in: | | | | Non-interest bearing | Total |
|------------------------------------|------|-----------------------------|----------------|-------------------|-------------------|----------------------|------------------|
| | | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | | | |
| Cash and deposits | 5 | 7,504,729 | - | - | - | 842,762 | 8,347,491 |
| Receivables | 6 | - | - | - | - | 425,904 | 425,904 |
| | | <u>7,504,729</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,268,666</u> | <u>8,773,395</u> |
| Weighted average interest rate | | 4.77% | | | | | |
| Financial Liabilities | | | | | | | |
| Trade and other creditors | 9 | - | - | - | - | 851,654 | 851,654 |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>851,654</u> | <u>851,654</u> |
| Net financial assets (liabilities) | | <u>7,504,729</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>417,012</u> | <u>7,921,741</u> |

| 2002 | Note | Fixed interest maturing in: | | | | Non-interest bearing | Total |
|------------------------------------|------|-----------------------------|----------------|-------------------|-------------------|----------------------|------------------|
| | | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | | | |
| Cash and deposits | 5 | 5,204,717 | - | - | - | 294,927 | 5,499,644 |
| Receivables | 6 | - | - | - | - | 451,719 | 451,719 |
| | | <u>5,204,717</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>746,646</u> | <u>5,951,363</u> |
| Weighted average interest rate | | 4.50% | | | | | |
| Financial Liabilities | | | | | | | |
| Trade and other creditors | 9 | - | - | - | - | 298,233 | 298,233 |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>298,233</u> | <u>298,233</u> |
| Net financial assets (liabilities) | | <u>5,204,717</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>448,413</u> | <u>5,653,130</u> |

(b) Credit Risk Exposures

The credit risk of financial assets of the organisation which have been recognised in the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

Note 12: Financial Instruments (Continued)**(c) Net Fair Value of Financial Assets and Liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Royal Botanic Gardens Board approximates their carrying amounts.

The carrying amounts and net fair values of financial assets and liabilities at reporting date are:

| | | 2003 | | 2002 | |
|------------------------------|---|----------------------------|---------------------------|----------------------------|---------------------------|
| | | Carrying amount | Net fair Value | Carrying amount | Net fair Value |
| | | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash | 5 | 8,347,491 | 8,347,491 | 5,499,644 | 5,499,644 |
| Receivables | 6 | 425,904 | 425,904 | 451,719 | 451,719 |
| | | <u>8,773,395</u> | <u>8,773,395</u> | <u>5,951,363</u> | <u>5,951,363</u> |
| Financial liabilities | | | | | |
| Payables | 9 | 851,654 | 851,654 | 298,233 | 298,233 |
| Net financial assets | | <u>7,921,741</u> | <u>7,921,741</u> | <u>5,653,130</u> | <u>5,653,130</u> |

(d) Reconciliation of Net Financial Assets to Net Assets

| | 2003 | 2002 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Net Financial assets as above | 7,921,741 | 5,653,130 |
| Non Financial Assets and Liabilities | | |
| Property, Plant and Equipment | 82,181,702 | 80,956,000 |
| Prepayments | 45,007 | 39,986 |
| Inventories | 220,746 | 185,816 |
| Provisions | (1,484,775) | (1,383,474) |
| Net assets per statement of financial position | <u>88,884,421</u> | <u>85,451,458</u> |

Note 13: Ministers and Accountable Officers

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

NAMES

The persons who held the above positions in the Royal Botanic Gardens Board are as follows:

Responsible Minister

| | | |
|---|-----------------------------|---------------------------------|
| Minister for Environment and Conservation | The Hon Sherryl Garbutt, MP | 1 July 2002 to 4 December 2002 |
| Minister for Environment | The Hon John Thwaites, MP | 5 December 2002 to 30 June 2003 |

Governing Board

| | | |
|-----------------|-----------------------|-----------------------------------|
| Chairman | Mr David Adam | 1 July 2002 to 30 June 2003 |
| Deputy Chairman | Ms Elaine Canty | 1 July 2002 to 30 June 2003 |
| Member | Mr Michael Bourke | 1 July 2002 to 30 June 2003 |
| Member | Mr Rodger Elliot | 1 July 2002 to 30 June 2003 |
| Member | Mrs Janet Halsall | 1 July 2002 to 30 June 2003 |
| Member | Prof Pauline Ladiges | 1 July 2002 to 30 June 2003 |
| Member | Ms Elizabeth O'Keeffe | 1 July 2002 to 16 July 2002 |
| Member | Ms Alison Stone | 10 September 2002 to 30 June 2003 |

Accountable Officer

| | | |
|----------|-----------------|-----------------------------|
| Director | Dr Philip Moors | 1 July 2002 to 30 June 2003 |
|----------|-----------------|-----------------------------|

REMUNERATION

Remuneration received or receivable by Board Members and the Accountable Officer in connection with the management of the Royal Botanic Gardens during the reporting period was in the range:

| | 2003 | 2002 |
|---------------------|-------------|-------------|
| | No. | No. |
| \$0 – 10,000 | 7 | 8 |
| \$110,000 – 119,999 | | 1 |
| \$150,000 – 159,999 | | 1 |
| \$160,000 – 169,999 | 1 | |
| Total | 8 | 10 |
| Total amount | \$208,080 | \$311,539 |

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

OTHER TRANSACTIONS

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Note 14: Remuneration for Executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below in their relevant income bands.

| | 2003 | 2002 |
|---------------------|-------------|-------------|
| | No. | No. |
| \$100,000 – 109,999 | 3 | 2 |
| \$110,000 – 119,999 | 2 | 1 |
| | <hr/> 5 | <hr/> 3 |
| Total amount | \$551,243 | \$323,770 |

Note 15: Remuneration of Auditors

| | 2003 | 2002 |
|---|-------------|-------------|
| | \$ | \$ |
| Audit fees paid or payable to the Victorian Auditor General's Office for audit of the Board's financial report: | 12,070 | 11,800 |

Note 16: Contingent Liabilities

The Board is not aware of the existence of any contingent liability as at the reporting date. (2002: \$nil)

Note 17: Commitments for Expenditure

| | 2003 | 2002 |
|--|----------------|------------------|
| | \$ | \$ |
| Capital commitments | | |
| Commitments for capital expenditure contracted for at the reporting date but not recognised in the financial report as liabilities, payable: | | |
| Within 1 year | 599,793 | 1,100,898 |
| Later than 1 year but not later than 5 years | 122,791 | 279,405 |
| | <u>722,584</u> | <u>1,380,303</u> |

Operating lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised in the financial report as liabilities, payable:

| | | |
|--|----------------|----------------|
| Within 1 year | 255,724 | 289,841 |
| Later than 1 year but not later than 5 years | 335,138 | 377,979 |
| | <u>590,862</u> | <u>667,820</u> |

Representing:

| | | |
|----------------------------------|----------------|----------------|
| Non-cancellable operating leases | <u>590,862</u> | <u>667,820</u> |
|----------------------------------|----------------|----------------|

Note 18: Employee Benefits

| | 2003 | 2002 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Employee benefit liabilities | | |
| Provision for employee benefits | | |
| Current (note 10) | 535,051 | 529,916 |
| Non-current (note 10) | 949,724 | 853,558 |
| Aggregate employee benefit liability | <u>1,484,775</u> | <u>1,383,474</u> |

Government employees' superannuation fund

The Board does not have any unfunded superannuation liability as full contribution has been made by the Board to the State Superannuation Fund.

Superannuation contributions for the reporting period are included as part of employee benefits in the statement of financial performance.

Type of funds

| Fund | Type | Contribution | Contribution |
|---|--------------|---------------------|---------------------|
| | | Rates | Rates |
| | | 2003 | 2002 |
| MLC Superannuation Fund | Accumulation | 9% | 8% |
| Colonial First State Investment Manager | Diversified | 9% | 8% |
| State Superannuation Fund | | | |
| Revised Scheme | Defined | 15.50% | 15.50% |
| New Scheme | Defined | 9% - 10% | 8% - 10% |
| TASG Master Fund | Accumulation | 9% | 8% |
| VicSuper Pty Ltd | Accumulation | 9% | 8% |
| Uni Super Management Pty Ltd | Accumulation | 9% | 8% |
| Superwrap | Accumulation | 9% | - |

Contributions made

The name and details of the major employee superannuation funds and contributions made by the employer are as follows:

| | No. of Employees | Contribution | Contribution |
|---|-----------------------------|---------------------|---------------------|
| | | for the Year | for the Year |
| | | 2003 | 2002 |
| | | \$ | \$ |
| MLC Superannuation Fund | 187 | 363,829 | 387,416 |
| Colonial First State Investment Manager | 1 | 18,935 | 25,911 |
| State Superannuation Fund | | | |
| Revised Scheme | 4 | 32,428 | 80,849 |
| New Scheme | 24 | 82,343 | 34,017 |
| TASG Master Fund | 1 | 3,339 | 5,336 |
| VicSuper Pty Ltd | 56 | 87,589 | 3,455 |
| Uni Super Management Pty Ltd | 1 | 691 | 614 |
| Superwrap | 1 | 6,976 | - |
| Total | | 596,130 | 537,598 |

The requirements of the *Superannuation Industry (Supervision) Act 1993* are fully complied with.

All employees of the Royal Botanic Gardens Board who are members of the Government Superannuation Scheme are entitled to benefits on retirement, disability or death from the Government Employees' Superannuation Fund. This Fund provides defined lump sum benefits based on years of service and final average salary.

Note 19: Event Occurring After Reporting Date

There is no event occurring after balance date that would have a material effect on the accounts.
(2002: \$nil)

Note 20: Reconciliation of Results from Ordinary Activities to Net Cash Inflow from Operating Activities

| | 2003 | 2002 |
|---|------------------|------------------|
| | \$ | \$ |
| Results from ordinary activities | 3,432,963 | 204,518 |
| Net loss on sale of non-current assets | - | 24,188 |
| Depreciation | 891,179 | 909,491 |
| Change in operating assets and liabilities | | |
| Decrease/(increase) in receivables | 25,815 | 427,008 |
| Decrease/(increase) in prepayments | (5,021) | (21,135) |
| (Increase)/decrease in inventories | (34,930) | 25,838 |
| Increase/(decrease) in creditors and accrued expenses | 553,421 | 59,675 |
| Increase/(decrease) in provisions | 101,301 | 68,950 |
| Net cash inflow from operating activities | <u>4,964,728</u> | <u>1,698,533</u> |