

Museums Australia Incorporated

Financial Statements

31 December 2016

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MUSEUMS AUSTRALIA INCORPORATED

Council Report

Your Council submits the financial report of Museums Australia Incorporated for the financial year ended 31 December 2016.

Council Members

The names of the Council throughout the year and at the date of this report are:

- | | |
|-----------------------------------|---------------------------------------|
| Frank Howarth (President) | Dr Mat Trinca (Secretary) |
| Richard Mulvaney (Vice President) | Margaret Lovell (Treasurer) |
| Carol Cartwright | Emma Best (NSW representative) |
| Suzanna Davies | Rebecca Coronel (ACT representative) |
| Timothy Hart | Anna Malgorzewicz (NT representative) |
| Dr Lynda Kelly | John Waldron (QLD representative) |
| Suesann Vos | Mirna Heruc (SA representative) |
| Alec Coles | Janet Carding (TAS representative) |
| Louise Douglas (Public Officer) | Lauren Ellis (VIC representative) |
| | Soula Veyradier (WA representative) |

Principal activities

The principal activities of the Association during the financial year were those of advocacy and professional development, for and on behalf of, individual institutional members and other museums and galleries within Australia.

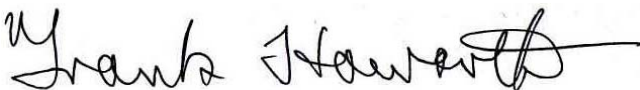
Significant changes

No significant change in the nature of these activities occurred during the year.

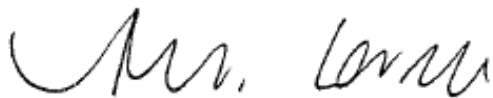
Operating result

The net deficit of the Association for the financial year ended 31 December 2016 was \$26,903 (2015: restated deficit \$46,376).

Signed in accordance with a resolution of the Members of the Council.



.....
Council Member



.....
Council Member

Dated this 12th day of May 2017.



CANBERRA SYDNEY GOLD COAST

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSEUMS AUSTRALIA INCORPORATED

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Museums Australia Incorporated, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the Council.

In my opinion the financial report of Museums Australia Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of Museums Australia Incorporated in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the *Code*) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the *Code*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis my opinion.

Other Information

The Council is responsible for the other information. The other information comprises the information included in external reports prepared by Museums Australia Incorporated and made available to members and the public such as the Annual Report, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Council for the Financial Report

The Council of Museums Australia Incorporated are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing Museums Australia Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate Museums Australia Incorporated or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing Museums Australia Incorporated's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 and 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

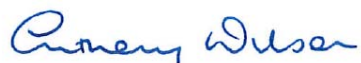
I also:

- 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 my 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.
- 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 Museums Australia Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Museums Australia Incorporated.
- Conclude on the appropriateness of Museums Australia Incorporated' 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 Museums Australia Incorporated's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Museums Australia Incorporated to cease to continue as a going concern.

- 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.

I communicate with Museums Australia Incorporated regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including when considered necessary any significant deficiencies in internal control that I identify during my audit.

AccountAbility



Anthony Wilson
Registered Association Auditor
Canberra, ACT
12 May 2017

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

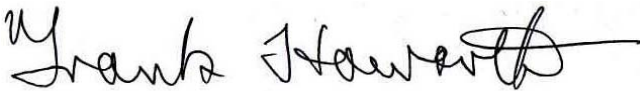
Statement by members of the Council

The Council have determined Museums Australia Incorporated is a reporting entity. The Council members have determined that this general purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

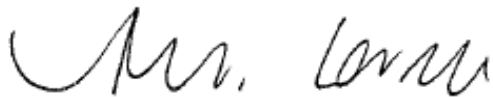
In the opinion of the Council members of Museums Australia Incorporated, the financial statements:

1. Present a true and fair view of the financial position of the Association as at 31 December 2016 and its performance for the year then ended; and
2. Provide reasonable grounds to believe that the Association will be able to meet its debts as and when they become payable.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:



.....
Council Member



.....
Council Member

Dated this 12th day of May 2017.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Statement of comprehensive income
For the year ended 31 December 2016

	<u>2016</u> \$	<u>2015</u> \$
Total revenue	<u>1,471,145</u>	<u>1,267,554</u>
Total expenses	<u>1,498,048</u>	<u>1,313,930</u>
Net deficit from ordinary operations	<u><u>(26,903)</u></u>	<u><u>(46,376)</u></u>

The accompanying notes form part of these financial statements.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Statement of financial position

As at 31 December 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Current assets		
Cash on hand and at bank	992,375	622,137
Receivables	58,323	77,923
Accruals and prepayments	40,496	10,195
Total current assets	<u>1,091,194</u>	<u>710,255</u>
Non-current assets		
Property, plant and equipment	90,327	81,378
Total non-current assets	<u>90,327</u>	<u>81,378</u>
Total assets	<u>1,181,521</u>	<u>791,633</u>
Current liabilities		
Trade creditors and other payables	99,038	243,232
Income in Advance	620,675	86,378
Provisions	93,082	66,394
Total current liabilities	<u>812,795</u>	<u>396,004</u>
Non-current liabilities		
Provisions	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>812,795</u>	<u>396,004</u>
Net assets	<u>368,726</u>	<u>395,629</u>
Accummulated funds		
Retained earnings	395,629	442,005
Net result for the year	(26,903)	(46,376)
Total equity	<u>368,726</u>	<u>395,629</u>

The accompanying notes form part of these financial statements.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Statement of recognised income and expenditure

For the year ended 31 December 2016

	Retained Earnings \$	TOTAL \$
Balance as at 31 December 2014	442,005	442,005
Net result for the 2015 year (restated - Note 8)	(46,376)	(46,376)
Balance at 31 December 2015	395,629	395,629
Net result for the 2016 year	(26,903)	(26,903)
Balance at 31 December 2016	<u><u>368,726</u></u>	<u><u>368,726</u></u>

Statement of cash flows

For the year ended 31 December 2016

	Note	<u>2016</u> \$	<u>2015</u> \$
Cash flows from operating activities			
Grants		1,177,887	325,708
Interest		11,488	12,438
Receipts from members and others		835,667	871,659
Payments to employees, suppliers and others		(1,636,293)	(1,105,657)
Net cash generated (used)		388,749	104,148
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,511)	(7,770)
Net cash generated (used)		<u>(18,511)</u>	<u>(7,770)</u>
Net movement in cash and cash equivalents		370,238	96,378
Cash and cash equivalents at beginning of year		622,137	525,759
Cash and cash equivalents at end of year		<u><u>992,375</u></u>	<u><u>622,137</u></u>

The accompanying notes form part of these financial statements.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2016

1 Statement of significant accounting policies

This financial report is a general purpose financial report, that has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act 1991* of the Australian Capital Territory.

Basis of preparation

The financial report is prepared on an accruals basis using historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Aggregation

The financial report is a general purpose report, which has been prepared for distribution to members to satisfy the accountability requirements of the *Associations Incorporation Act 1991* (ACT). The financial report have been prepared in accordance with the requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The accounting policies have been consistently applied, unless otherwise stated.

(a) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash includes cash on hand, at banks, donations and other fixed period deposits.

(b) Memberships and subscriptions

Membership and subscription income is recognised at the anniversary date of the member/subscriber and it is probable that the member/subscriber will be taking up a membership/subscription. Membership and subscription income is received in advance however no adjustment is made to amortise the revenue on a straight-line basis as the Council believe no refund would be payable to a member/subscriber in the event that the membership or subscription ceased prior to the next anniversary date.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2016

1 Statement of significant accounting policies (continued)

(c) Taxation

The Association is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the Statement of financial position are shown inclusive of GST.

(d) Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use. The depreciation rates used are:

Equipment - 20 to 50% per annum

(e) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Refer also Note 8.

(f) Critical accounting estimates

The Council members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and other available data, obtained both externally and within the Association.

(g) Financial instruments - recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Loans and receivables – when held these are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments –when held these are stated at amortised cost using the effective interest rate method.

Financial liabilities – when held these are recognised at amortised cost, comprising original debt less principal payments and amortisation.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2016

1 Statement of significant accounting policies (continued)

(h) Resources received free of charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(i) Interest

Interest is recognised on a time basis.

(j) Grants

Grant income where there is no reciprocal obligation to provide goods and services in return is recognised as revenue at the earlier of when received or when a legally enforceable agreement has been executed. Grant income where there is a reciprocal obligation on the Association to provide goods and services is recognised when the control of the right to be compensated for services and the stage of completion can be reliably measured. Where reliable measurement is not possible, revenue is recognised only to the extent that costs have been incurred.

(k) Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. Liabilities for annual leave are recognised at their nominal amount, and no provision has been made for sick leave as it is non vesting. Long service leave is recognised at its present value based on the probability of each employee reaching their eligibility criteria.

2 Subsequent events

There have been no events after the reporting date which have had a material impact on the Association.

3 Related parties

All transactions between the members of the Council and the Association are on normal commercial terms.

4 Contingent assets and liabilities

There are no contingent assets or contingent liabilities of the Association at the National Office level as at 31 December 2016.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2016

5 Association details

(a) Association details

The Association is incorporated under the *Associations Incorporation Act 1991* of the Australian Capital Territory.

(b) Location

As at year end the registered office and principal place of business of the Association was:

National Museum of Australia
Lawson Crescent
Acton ACT 2601

6 Financial instruments

a) Financial risk management

The Association's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise through the ordinary operations of the Association. The Association does not have any derivative financial instruments as at 31 December 2016. It is, and has been through the 2016 financial year, the Association's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Association's financial instruments are interest rate risk, liquidity risk and credit risk. The policies adopted by the Association for the management of these risks are summarised below.

Interest rate risk

The Association's exposure to market risk for changes in interest rates primarily to the Association's holding of cash and cash equivalents.

Credit risk

The Association does not provide credit.

With respect to credit risk arising from the other financial assets of the Association, which comprise cash and cash equivalents, the Association's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Association manages this element of credit risk by maintaining deposits with established and reputable financial institutions.

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2016

6 Financial instruments (continued)

The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

Liquidity risk

The Association has no external funding or facilities in place. The Association manages its cash balance to ensure that it has sufficient cash and cash equivalent holdings to meet all short, medium and long term requirements.

(b) Net fair values

The Board considers the carrying amount of financial assets and financial liabilities to approximate their net fair values.

7 Grant income

	<u>2016</u>	<u>2015</u>
	\$	\$
Total grant income	701,913	703,862

8 Restatement of of prior period balances

Earned income reported in 2015 included a component for an activity which was to be completed in 2016. This amount was subsequently reassessed as being income received in advance on the basis that the amount gave rise to a reciprocal obligation and hence was to be treated as unearned income at 31 December 2015. This reassessment has been applied in accordance with *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors*.

In accordance with *AASB 108* the comparative figures for 2015 have been restated as a result of the reassessment of the accounting estimate with these changes reflected below:

	Previously Reported 2015	Adjustment made	Adjusted 2015
<u>Statement of comprehensive income</u>			
Earned income	197,488	(11,349)	186,139
Operating deficit	(35,027)	(11,349)	(46,376)
<u>Statement of financial position</u>			
Income in advance	75,029	11,349	86,378
Total equity	<u>406,977</u>	(11,349)	<u>395,628</u>

Compilation Report - to the members of Museums Australia Incorporated

Scope

On the basis of information provided by Museums Australia Incorporated, I have compiled, in accordance with the financial reporting framework and *APES 315: Compilation of Financial Information*, the following detailed Income and Expenditure Statement for 2016.

The Statement has been prepared is to provide private information to Museums Australia Incorporated. Museums Australia Incorporated is solely responsible for the information contained in the Statement and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of Museums Australia Incorporated.

My procedures use accounting expertise to collect, classify and summarise the financial information, which Museums Australia Incorporated provided, into the Statement. My procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, I do not accept liability for any loss or damage which any person, other than Museums Australia Incorporated, may suffer arising from any negligence on my part.

No person should rely on the special purpose financial report without having an audit or review conducted.

The Statement was prepared for the benefit of Museums Australia Incorporated and its members and the purpose identified above. I do not accept responsibility to any other person for the contents of the Statement.

AccountAbility

Anthony Wilson
Registered Company Auditor
Dickson, ACT

12 May 2017

MUSEUMS AUSTRALIA INCORPORATED

ABN: 83 048 139 955

Detailed Income and Expenditure Statement

	<u>2016</u>	<u>2015</u>
Income	\$	\$
Membership	280,423	298,210
Donations	3,220	5,045
Sponsorship & philanthropic	116,918	57,779
Earned income	359,127	186,139
Grant income	701,913	703,862
Administration income	9,544	16,519
Total Income	<u>1,471,145</u>	<u>1,267,554</u>
Expenses		
Administration	90,716	90,296
Communications	61,125	65,841
Legal, finance & governance	53,139	49,212
Marketing & promotion	21,487	12,832
Programs & projects	384,992	315,874
Personnel	833,941	743,822
Consultants & contractors	52,648	36,052
Total Expenses	<u>1,498,048</u>	<u>1,313,929</u>
Deficit	<u><u>(26,903)</u></u>	<u><u>(46,375)</u></u>