



**Australian Museums and Galleries Association
Incorporated**

Financial Statements

31 December 2018

ABN: 83 048 139 955

Table of Contents

Council report	1
Independent audit report	2
Responsible Persons' Declaration	6
Statement of comprehensive income	7
Statement of financial position	8
Statement of recognised income and expenditure	9
Statement of cash flows	9
Notes to the accounts	10

Australian Museums and Galleries Association Incorporated

Council Report

Your Council submits the financial report of Australian Museums and Galleries Association Incorporated for the financial year ended 31 December 2018.

Council Members

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

- | | |
|----------------------------------|--------------------------------------|
| Dr Robin Hirst (President) | Carol Cartright (Secretary) |
| Simon Elliot (Vice President) | Margaret Lovell (Treasurer) |
| Suzanne Davies | Rebecca Pinchin (NSW representative) |
| Paul Bowers | Rowan Henderson (ACT representative) |
| Dr Lynda Kelly | Ilka Schact (NT representative) |
| Debbie Sommers | Emma Bain (QLD representative) |
| Mark Crees | Pauline Cockrill (SA representative) |
| Craig Middleton | Janet Carding (TAS representative) |
| Rebecca Coronel (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.

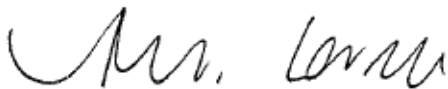
Operating result

The net deficit of the Association for the financial year ended 31 December 2018 was \$9,109 (2017: surplus \$54,759).

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



.....
Council Member



.....
Council Member

Dated this 3rd day of May 2019.



AccountAbility (ACT) Pty Ltd
ACN: 088 095 354

PO Box 776, Mitchell ACT 2911

Telephone: 02 6170 6870

Email: admin@accountabilitywft.com.au
www.accountabilitywft.com.au

Liability limited by a scheme approved under
Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MUSEUMS AND GALLERIES ASSOCIATION INCORPORATED

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian Museums and Galleries Association Incorporated, which comprises the statement of financial position as at 31 December 2018, 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 Responsible Persons' Declaration.

In my opinion the financial report of Australian Museums and Galleries Association 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 2018 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 Australian Museums and Galleries Association 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 Australian Museums and Galleries Association 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 Australian Museums and Galleries Association 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 Australian Museums and Galleries Association 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 Australian Museums and Galleries Association Incorporated or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing Australian Museums and Galleries Association 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 Australian Museums and Galleries Association Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Australian Museums and Galleries Association Incorporated.
- Conclude on the appropriateness of Australian Museums and Galleries Association Incorporated's 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 Australian Museums and Galleries Association 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 Australian Museums and Galleries Association 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 Australian Museums and Galleries Association 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
3 May 2019

Australian Museums and Galleries Association Incorporated

ABN: 83 048 139 955

Responsible Persons' Declaration

The Council have determined Australian Museums and Galleries Association 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.

The responsible persons' declare that in their opinion:

1. The financial statements and notes, as set out on pages 7 to 15:

(a) comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and Accounting Standards as described in Note 1 to the financial statements; and

(b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the entity;

2. There are reasonable grounds to believe that the Association will be able to meet its debts as and when they become payable.

This declaration 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 3rd day of May 2019.

Australian Museums and Galleries Association Incorporated
ABN: 83 048 139 955

Statement of comprehensive income
For the year ended 31 December 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
Total revenue	1,974,441	1,768,973
Total expenses	1,983,550	1,714,214
Net surplus/(deficit) from ordinary operations	<u><u>(9,109)</u></u>	<u><u>54,759</u></u>

The accompanying notes form part of these financial statements.

Australian Museums and Galleries Association Incorporated
ABN: 83 048 139 955

Statement of financial position
As at 31 December 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
Current assets		
Cash on hand and at bank	1,050,066	811,615
Receivables	36,247	80,254
Accruals and prepayments	37,151	39,442
Total current assets	<u>1,123,464</u>	<u>931,311</u>
Non-current assets		
Property, plant and equipment	60,925	76,721
Total non-current assets	<u>60,925</u>	<u>76,721</u>
Total assets	<u>1,184,389</u>	<u>1,008,032</u>
Current liabilities		
Trade creditors and other payables	96,477	47,370
Income in Advance	576,746	450,161
Provisions	105,722	96,008
Total current liabilities	<u>778,945</u>	<u>593,479</u>
Non-current liabilities		
Provisions	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>778,945</u>	<u>593,479</u>
Net assets	<u>405,444</u>	<u>414,553</u>
Accummulated funds		
Retained earnings	414,553	359,794
Net result for the year	(9,109)	54,759
Total equity	<u>405,444</u>	<u>414,553</u>

The accompanying notes form part of these financial statements.

Australian Museums and Galleries Association Incorporated
ABN: 83 048 139 955

Statement of recognised income and expenditure	Note	Retained Earnings	TOTAL
For the year ended 31 December 2018		\$	\$
Balance as at 31 December 2016	9	359,794	359,794
Net result for the 2017 year		54,759	54,759
Balance at 31 December 2017	9	414,553	414,553
Net result for the 2018 year		(9,109)	(9,109)
Balance at 31 December 2018		<u>405,444</u>	<u>405,444</u>

Statement of cash flows
For the year ended 31 December 2018

	Note	<u>2018</u>	<u>2017</u>
		\$	\$
Cash flows from operating activities			
Grants		1,079,751	719,148
Interest		7,604	7,604
Receipts from members and others		1,057,678	844,519
Payments to employees, suppliers and others		(1,905,664)	(1,748,863)
Net cash generated (used)	8	239,369	(177,592)
Cash flows from investing activities			
Purchase of property, plant and equipment		(978)	(3,168)
Net cash generated (used)		<u>(978)</u>	<u>(3,168)</u>
Net movement in cash and cash equivalents		238,391	(180,760)
Cash and cash equivalents at beginning of year		811,615	992,375
Cash and cash equivalents at end of year	8	<u>1,050,006</u>	<u>811,615</u>

The accompanying notes form part of these financial statements.

Australian Museums and Galleries Association Incorporated

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2018

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 *Australian Charities and Not-for-profits Commission Act 2012*, Australian Charities and Not-for-profits Commission Regulation 2013 and 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.

Australian Museums and Galleries Association Incorporated

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2018

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 9.

(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.

Notes to the financial statements for the year ended 31 December 2018

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 2018.

Australian Museums and Galleries Association Incorporated

ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2018

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:

ALIA House
9-11 Napier Close
Deakin ACT 2600

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 2018. It is, and has been through the 2018 financial year, the Association's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Associations 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.

Australian Museums and Galleries Association Incorporated
ABN: 83 048 139 955

Notes to the financial statements for the year ended 31 December 2018

6 Financial instruments (continued)

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

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

	<u>2018</u> \$	<u>2017</u> \$
7 Grant income		
Total grant income	<u>989,413</u>	<u>975,173</u>
Included in Total grant income:		
<u>Indigenous Roadmap Project</u>		
Grant funding received (GST exclusive)	-	152,150
Grant funding expended (GST exclusive)	(160,473)	(138,233)
Funding carried forward to future reporting period	<u>-</u>	<u>160,473</u>

8 Cash flow reconciliation

Cash as per:

Statement of financial position	1,050,066	811,615
Statement of cash flows	1,050,006	811,615

Australian Museums and Galleries Association Incorporated
ABN: 83 048 139 955

8 Cash flow reconciliation (continued)

Reconciliation of result for the year to net cash provided provided by/(used in) operating activities

Result for the year	(9,109)	54,759
<i>Adjustments for non cash items:</i>		
Depreciation	16,774	16,774
Adjustments to carrying values of assets	-	-
<i>Movements in assets and liabilities:</i>		
Decrease/(increase) in receivables	44,007	(27,188)
Decrease/(increase) in prepayments/other assets	2,291	1,054
(Decrease)/increase in payables and accruals	49,107	(55,363)
(Decrease)/increase in income in advance	126,585	(170,514)
(Decrease)/increase in provisions	9,714	2,886
	<u>239,369</u>	<u>(177,592)</u>

9 Adjustments relating to prior periods

During the 2018 year the Association identified a number of balances which had incorrectly been carried forward from prior periods and should have been written off in previous years. These balances included accrued income and transactions associated with the collection of funding for the acquisition of a historically significant flag.

	Previously reported	Revised amount
<u>Statement of financial position</u>		
Receivables	85,511	80,215
Trade creditors and other payables	43,675	47,311
<i>Net assets</i>	423,485	414,553
<u>Statement of recognised income and expenditure</u>		
Retained earnings - 31 December 2016	368,726	359,794
Retained earnings - 31 December 2017	423,485	414,553

Australian Museums and Galleries Association Incorporated
ABN: 83 048 139 955

Detailed Income and Expenditure Statement

	<u>2018</u>	<u>2017</u>
Income	\$	\$
Membership	280,211	272,703
Donations	-	-
Sponsorship & philanthropic	97,763	154,025
Earned income	592,678	354,853
Grant income	989,413	975,173
Administration income	14,376	12,219
Total Income	<u>1,974,441</u>	<u>1,768,973</u>
Expenses		
Administration	411,876	107,565
Communications	48,638	44,771
Legal, finance & governance	55,438	51,366
Marketing & promotion	23,213	20,667
Programs & projects	462,335	553,324
Personnel	966,272	890,721
Consultants & contractors	15,778	45,800
Total Expenses	<u>1,983,550</u>	<u>1,714,214</u>
Surplus/(Deficit)	<u><u>(9,109)</u></u>	<u><u>54,759</u></u>