

Australian Museum
Financial Statements 2006/2007

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Australian Museum

Annual Report 2006–07 Financial Statements



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This annual report is published in three parts: a summary report, a detailed report and the financial statements. All of the Museum’s annual reports since 1998–99 are available online at www.australianmuseum.net.au/about/report/.

Financial Commentary

The Australian Museum's financial operations for 2006/07 resulted in a surplus of \$20,452,000. After taking into account \$24,297,000 in Capital Grants income to fund a range of capital works undertaken by the Museum, and \$3,313,000 in Depreciation expenses, the Museum's trading position for 2006/07 was a small operating loss of \$532,000.

Of the Capital provided to the Museum, \$970,000 was provided by way of external donations to fund a range of capital developments at the Lizard Island Reef Research Station and an amount of \$23,327,000 was provided by way of Government Capital Grants to support capital improvements at the Museum's College Street site. The Government Grants included \$17,520,000 as part of a five year Museum Renewal program that will result in the construction of a new Collections and Research facility as well as the refurbishment of two major public galleries at the College Street site.

Late in the financial year the Treasurer also approved supplementary Capital funding to the Museum in an amount of \$4,000,000 to undertake essential capital improvement works to the College Street facilities and to provide for the upgrading of security systems.

Admissions to the Museum were higher than in the previous year. Some 317,657 visitors were admitted to the Museum during the year (297,001 in 2005/06). The average number of visitors for the previous five years was 304,069. Despite the higher visitation, Revenue from admissions was \$1,813,000, a decrease of 13.1 per cent on the 2005/06 return of \$2,087,000. This resulted from there having been stronger temporary exhibitions in 2005/06 for which a supplementary admission fee was charged.

The Museum's retail shop achieved sales (net of GST) of \$844,000 compared with \$902,000 in 2005/06, a decrease of 6.4 per cent. Australian Museum Business Services, which offers archaeological and environmental consulting services and projects, achieved revenue of \$779,000, a decrease of 43.3 per cent on the previous year's \$1,373,000 primarily as a result of high staff turnover and intense competition in the industry sector.

The Museum is responsible for the maintenance of heritage classified buildings and as their heritage status requires more specialised treatment and trades skills, maintenance costs and administrative oversight are often higher than would be incurred in contemporary buildings.

Economic and Other Factors Affecting the Achievement of Operational Objectives

There were two exhibitions for which a supplementary charge was made in the year, and these were moderately successful. The Museum also put in place a programme of smaller exhibitions and activities in an attempt to overcome the effect of the closure of several galleries that are being refurbished as part of the Australian Museum Refurbishment Project.

Outline of Budget for 2007/08

The Department of Arts, Sport and Recreation has provided grant funding that, when combined with the Museum's own revenues, will allow the Museum to operate throughout 2007/08 at a similar level compared to 2006/07. The Museum has been able to plan a modest programme of exhibitions and activities for 2007/08 by a combination of continued management reforms, efficiencies and an effective allocation of resources. The continuing exhibition gallery refurbishment project is expected to have a somewhat adverse impact on visitor numbers as sizeable gallery areas will be unavailable during the year. It is anticipated that the renewed galleries will be reopened in the latter part of 2007/08.

Anticipated funding for 2007/08 includes:

- \$24.318 m Recurrent grant;
- \$22.688 m Capital grant, of which \$1.386 m will be provided by the Queensland Government and the Lizard Island Reef Research Foundation, a privately operated benevolent foundation;
- \$2.237 m in funded project grants, contributions and sponsorships; and
- \$6.930 m from other self-generated revenues.

The Museum has an approved budget that provides for:

- \$20.716 m for personnel services expenses;
- \$11.276 m for other operating and maintenance expenses;
- \$0.087 m for minor grants and subsidies.

The Museum estimates its staffing structure at 236 equivalent full time positions (EFT), a similar level as in 2006/07.

Accounts Payment Performance Report

Schedule of accounts payable at quarter end

The Museum measures and reports its accounts payable performance on the basis of Creditor’s terms. This is more stringent than the standard endorsed for Government by Treasury. Late payments may occur due to invoice queries, necessitating payment delays. There has been no interest charged for delaying payments.

	30/9/06 \$'000	31/12/06 \$'000	31/3/07 \$'000	30/6/07 \$'000
Current within due date	13,145	17,365	13739	25,210
Less than 30 days overdue	68	151	305	88
Between 30 and 60 days overdue	12	34	22	1
Between 60 and 90 days overdue	-7	-1	1	0
Over 90 days overdue	169	125	86	86
Total	13,401	17,674	14,151	25,385

Schedule of accounts paid on time – actual

	30/9/06 \$'000	31/12/06 \$'000	31/3/07 \$'000	30/6/07 \$'000
Percentage of accounts paid on time – Target	95%	95%	95%	95%
Total value of accounts paid on time	13,145	17,365	13739	25,210
Total value of accounts paid	13,401	17,674	14,151	25,385
Percentage value of accounts paid on time	98%	98%	97%	99%



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

AUSTRALIAN MUSEUM TRUST

To Members of the New South Wales Parliament

Report on the Financial Report

I have audited the accompanying financial report of the Australian Museum Trust (the Trust), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Trustees' statement.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Trust as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- is in accordance with the *Charitable Fundraising Act 1991* (CF Act), including showing a true and fair view of the Trust's financial result of fundraising appeals for the year ended 30 June 2007

The Trustees' Responsibility for the Financial Report

The members of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the CF Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Trust,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Report on Other Aspects of the *Charitable Fundraising Act 1991*

I have audited the Trust's operations in order to express an opinion on the matters specified at sections 24(2)(b), 24(2)(c) and 24(2)(d) of the CF Act for the year ended 30 June 2007.

Auditor's Opinion

In my opinion:

- the ledgers and associated records of the Trust have been properly kept during the year in accordance with the CF Act and the Charitable Fundraising Regulation 2003 (the CF Regulation) [section 24(2)(b)],
- money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the CF Act and the CF Regulation [section 24(2)(c)], and
- there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due [section 24(2)(d)].

The Trustees' Responsibility for Compliance

The members of the Trust are responsible for ensuring compliance with the CF Act and the CF Regulation. This responsibility includes:

- establishing and maintaining internal control relevant to compliance with the CF Act and CF Regulation
- ensuring that all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for, and
- maintaining proper books of account and records.

Auditor's Responsibility

My responsibility is to express an opinion on the matters specified at sections 24 (2)(b), 24 (2)(c), and 24 (2)(d) of the CF Act. I conducted my audit in accordance Australian Auditing Standards applicable to assurance engagements. These Auditing Standards require that I comply with relevant ethical requirements relating to assurance engagements and plan and perform the audit to obtain reasonable assurance whether there were any material breaches of compliance by the Trust.

An audit involves performing procedures to obtain audit evidence about the entity's compliance with the CF Act and CF Regulation and about its solvency. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material breaches of compliance. In making those risk assessments, the auditor considers internal control relevant to the entity's compliance 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 entity's internal control.

My procedures included examination, on a test basis, of evidence supporting the entity's solvency and its compliance with the CF Act and CF Regulation. These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the CF Act and CF Regulation apart from those specified.

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

Independence

In conducting these audits, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



Peter Carr FCPA
Director, Financial Audit Services

31 October 2007
SYDNEY

AUSTRALIAN MUSEUM TRUST

STATEMENT IN ACCORDANCE WITH SECTION 41C (1C) OF PUBLIC FINANCE AND AUDIT ACT, 1983,
AND CHARITABLE FUNDRAISING ACT, 1991

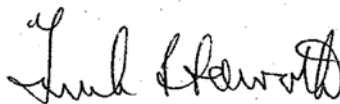
Pursuant to Section 41C of the *Public Finance and Audit Act, 1983*, and the *Charitable Fundraising Act, 1991*, and in accordance with a resolution of the Australian Museum Trust, we being members of the Trust, state that:

1. In our opinion, the financial report exhibits a true and fair view of the financial position of the Australian Museum Trust as at 30 June 2007, and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2005*, and the *Treasurer's Directions*.
3. The provisions of the *Charitable Fundraising Act 1991*, the regulations under the Act and the conditions attached to the Trust have been complied with by the Trust.
4. The financial report gives a true and fair view of all income and expenditure with respect to fundraising appeals.
5. The balance sheet gives a true and fair view of the state of affairs of the Trust with respect to fundraising appeals.
6. The internal controls exercised by the Trust are appropriate and effective in accounting for all income received and applied by the Trust for any of its fundraising appeals.

Further, we are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



BRIAN SHERMAN AM
PRESIDENT OF THE TRUST



FRANK HOWARTH
SECRETARY OF THE TRUST

AUSTRALIAN MUSEUM TRUST
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Income			
Sale of goods and services	3 (a)	5,297	7,043
Investment income	3 (b)	884	462
Other gains/(losses)	5	18	(130)
Grants and contributions	6	50,267	4,399
Consolidated fund appropriations	7	–	27,763
Total Income		56,466	39,537
Expenses			
Personnel services expenses	2 (a)	20,415	18,912
Other operating expenses	2 (b)	11,712	12,695
Depreciation	2 (c)	3,313	3,408
Grants and subsidies	2 (d)	114	178
Loss on disposal	4	460	20
Total Expenses		36,014	35,213
Surplus for the Year		20,452	4,324

The accompanying notes form part of these financial statements.

AUSTRALIAN MUSEUM TRUST
STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Income and Expenses Recognised Directly in Equity		-	-
Surplus for the year	15	20,452	4,324
Total Income and Expense Recognised Directly in Equity		20,452	4,324

The accompanying notes form part of these financial statements.

AUSTRALIAN MUSEUM TRUST
BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	8	17,337	9,483
Trade and other receivables	9	1,702	1,947
Inventories	10	228	281
Total Current Assets		19,267	11,711
Non-Current Assets			
Property, Plant and Equipment			
– Land and Buildings	11	159,198	148,626
– Plant and Equipment	11	23,819	23,027
– Collections	11	530,331	530,331
Total Property, Plant and Equipment		713,348	701,984
Total Non-current Assets		713,348	701,984
Total Assets		732,615	713,695
LIABILITIES			
Current Liabilities			
Trade and other payables	13	4,039	5,570
Total Current Liabilities		4,039	5,570
Non-current Liabilities			
Trade and other payables	13	18	19
Total Non-current Liabilities		18	19
Total Liabilities		4,057	5,589
Net Assets		728,558	708,106
EQUITY			
Accumulated funds	15	574,558	554,106
Reserves	15	154,000	154,000
Total Equity		728,558	708,106

The accompanying notes form part of these financial statements.

AUSTRALIAN MUSEUM TRUST
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(18,977)	(17,855)
Grants and subsidies		(114)	(123)
Other		(18,600)	(15,144)
Total Payments		<u>(37,691)</u>	<u>(33,122)</u>
Receipts			
Sale of goods and services		6,105	7,448
Interest received		884	462
Other		4,027	4,594
Grants and contributions		48,908	–
Consolidated fund appropriations		–	27,763
Total Receipts		<u>59,924</u>	<u>40,267</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	<u>22,233</u>	<u>7,145</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Land and Buildings, and Plant and Equipment		(14,383)	(6,943)
Proceeds from sale of Plant and Equipment		4	19
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(14,379)</u>	<u>(6,924)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		7,854	221
Opening cash and cash equivalents		9,483	9,262
CLOSING CASH AND CASH EQUIVALENTS	8	<u>17,337</u>	<u>9,483</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting Entity**

The Australian Museum Trust (the Trust) as a reporting entity comprises all the activities under its control and encompasses funds that are restricted for specified purposes by the grantor or donor, but are nevertheless controlled by the Trust. The Trust is constituted as a body corporate by the Australian Museum Trust Act 1975. The Australian Museum Trust is a statutory body of the NSW State government. The Trust is a not for profit entity (as profit is not its principal objective) and it has no cash generating units. The Trust's accounts are consolidated as part of the NSW Total State Sector Accounts.

This financial report has been authorised for issue by the Director and Trust President on 31 October 2007.

(b) Basis of Preparation

The Trust's financial report is a general purpose financial report which has been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS));
- requirements of the Public Finance and Audit Act 1983 and interpretations and the Public Finance and Audit Regulation 2005; and
- the Treasurer's Directions.

Collections assets and property, plant and equipment are measured at fair value; other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest \$1000 and are expressed in Australian currency.

(c) Statement of Compliance

The Trust's financial report and notes comply with Australian Accounting Standards which include AEIFRS.

The Trust has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective from the current annual reporting period.

(d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Grants and Contributions

Grants and contributions include donations and grants from the Dept of Arts, Sports and Recreation. They are generally recognised as income when the Trust obtains control over the assets comprising the grants/contributions. Control over grants and contributions is normally obtained when the obligations relating to the receipt have been met and in the case of donations upon the receipt of cash.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****(ii) Sale of Goods and Services**

Revenue from the sale of goods and services is recognised as revenue when the Trust transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment income

Interest income is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(e) Personnel Services and other provisions**(i) Personnel Services Arrangements**

The Trust and the Department of Arts, Sport and Recreation (DASR) entered into a Memorandum of Understanding effective from 1 July 2006 which sets out the arrangements for employment and payment of staff working at the Australian Museum which are considered employees of DASR. All payments to personnel and for related obligations are done in the DASR name and ABN and are classified as "Personnel Services" expenses in these financial statements.

(ii) Personnel Services – Salaries and wages, Annual Leave, Sick Leave and On-costs

Based on the memorandum of understanding with DASR, liabilities for personnel services are stated as liabilities to the service provider DASR. Salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on amounts expected to be paid when the liabilities are settled.

If applicable, long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds are used to discount long-term annual leave.

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to the provision of personnel services by DASR are recognised as liabilities and expenses where the personnel services to which they relate have been recognised.

(iii) Long Service Leave and Superannuation

In the financial statements of DASR, the Trust's liabilities for liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. Consequently the Trust accounts for the equivalent expense and income in its financial statements to reflect this provision of personnel services.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors, (specified in NSW TC07-4), to

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

employees with five or more years of service using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the NSW TC 07-6. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iv) **Other provisions**

Other provisions exist when: the Trust has a present legal or constructive obligation as a result of a past event; it is probable that an overflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when an agency has a detailed formal plan and the agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to be affected.

If the effect of the time value of money is material, provisions are discounted at a percentage, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(f) **Insurance**

The Trust's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

(g) **Accounting for 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 by the Trust as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO are classified as operating cash flows.

(h) **Acquisitions of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition, and brought to account as assets and revenue for the period.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

(i) Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$3,000 and above individually are capitalised. Computer related assets costing individually \$3,000 and above (or forming part of a network costing more than \$3,000) are capitalised.

(j) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the *Valuation of Physical Non-Current Assets at Fair Value Policy and Guidelines* paper (TTP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Trust revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2003 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****Exhibitions -**

The value of exhibitions is included in Plant and Equipment and represents capitalisation of the development and establishment costs of exhibitions that will continue to generate revenue or provide a community service beyond the financial year or years in which these costs were incurred.

Capitalised development and establishment costs include material and construction expenditure, but do not include an assessment of the intrinsic value of collection items incorporated in an exhibition unless specifically purchased and costed for that purpose. Labour costs for permanent staff inputs to the development of exhibitions are reflected in employee related expenses and are not included in the capitalisation of exhibitions.

Collections -

Collection assets are valued on a deprival basis as a surrogate for fair value. The Trust's collections were recognised in 2003 following the completion of a valuation exercise which ascribed values based on a combination of both market value and recollection cost. The valuation was calculated with the use of internal and external resources, including professional statisticians and valuers. The Trust's collections are not depreciated.

Acquisition of collection items are recorded at cost when purchased. Valuation of the Collections from an independent assessor will be completed every five years.

(k) *Impairment of Property, Plant and Equipment*

As a not-for-profit entity with no cash generating units, the Trust is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciate replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(l) *Assets Not Able to be Reliably Measured*

The Trust does not hold any assets other than those recognised in the Balance Sheet.

(m) *Depreciation of Property, Plant and Equipment*

Except for certain heritage assets, depreciation is provided for on a straight line basis for all depreciable assets so as to write-off the net cost or revalued amount of each asset as it is consumed over its useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period

All material separately identifiable component assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including original artworks and collections and heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The other buildings at the Sydney site are divided into Major buildings that are depreciated over their estimated life of 75 years and Minor buildings that are depreciated over their estimated life of 15 to 55 years.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

The buildings on Lizard Island are depreciated over their estimated life of up to 50 years on the assumption that the Museum's lease of land on the island will be renewed.

Depreciation rates for each property, plant and equipment asset category are as follows:

Buildings	1.25% – 6.67%
Plant and Equipment	10% – 33.33%
Motor Vehicles	15%
Vessels	15%

Depreciation rates are reviewed and determined on annual basis to ensure that they reflect the current useful life and residual value of the assets.

Permanent exhibitions are depreciated on a straight-line basis based on their expected useful life, with a maximum life for depreciation purposes not exceeding 9 years.

(n) *Major Inspection Costs*

When each major inspection is performed the labour cost for faults is recognised in the carrying amount of an asset as a replacement of a part, if recognition criteria are satisfied.

(o) *Restoration Costs*

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(p) *Maintenance*

Day to day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(q) *Leased Assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Income Statement systematically over the term of the lease. The Trust does not have any assets subject to finance leases.

(r) *Intangible Assets*

The Trust recognises intangible assets only if it is probable that future economic benefits will flow to the Trust and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is at fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The Trust has no intangible assets.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****(s) Financial Instruments**

The Trust's principal financial instruments policies are outlined below. These financial instruments arise directly from the Trust's operations or are required to finance its operations. The Trust does not enter into or trade financial instruments for speculative purposes and does not use financial derivatives.

(i) Cash and cash equivalent

Cash and cash equivalent comprises of cash on hand and bank balances with the Museum's bankers, term deposits with the Commonwealth Bank of Australia and the NSW Government's Treasury Corporation (TCorp) Hour Glass cash facility. Interest on bank balance is earned on daily balances at a fixed rate. The interest rate is added to the term deposits every six months and at maturity. Interest revenues are recognised as they accrue. The term deposits in Commonwealth Bank of Australia relate to two bequest accounts.

(ii) Investments

The NSW Government's Treasury Corporation (TCorp) deposit facility is utilised to accommodate funds surplus to immediate needs. Funds placed in the TCorp Hour Glass cash facility are measured at fair value with interest revenue accrued as earned such that the fair value is reflected at no less than the amount payable on demand.

(t) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Collectability of trade debtors is reviewed on an ongoing basis. Debts that are known to be uncollectible are written-off. Any changes are accounted for in the Income Statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rates are measured at the original invoice amount where the effect of discounting is immaterial. The credit risk is the carrying amount (net of any allowances for impairment). No interest is earned on trade receivables. The carrying amount approximates fair value. Sales are made on 30 day terms.

(u) Inventories

Inventories held for sale and are stated at the lower of cost and net realisable value. The cost is calculated using the "first in first out" method.

The Museum does not have any inventories acquired at no cost or for nominal consideration. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(v) Other Assets

Other assets are recognised on a cost basis.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****(w) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Trust and other amounts, including interest. Trade and other payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(x) Changes to Presentation of Financial Statements

The previous financial report was prepared in accordance with the Financial Reporting Code for Budget Dependant General Government Sector Agencies. The Trust, as a grant recipient, is no longer required to do so and comparative amounts have been amended where required.

(y) New Australian Accounting Standards issued but not yet operative

- AASB 101 'Presentation of Financial Statements', operative for 31 December 2007 and 30 June 2008 year ends.
- AASB 2007-4 'Amendments to Australian accounting Standards arising from ED 151 and other amendments' applicable to annual reporting periods beginning on or after 1 July 2007.
- AASB 7 'Financial Instruments: Disclosures', operative for 31 December 2007 and 30 June 2008 year ends.
- AASB 8 'Operating Segments', operative for 31 December 2009 and 30 June 2010 year ends, and
- AASB 123 'Borrowing Costs', operative for 31 December 2009 and 30 June 2010 year ends.

The Trust has assessed the impact of these new standards and interpretations and considers the impact to be insignificant.

(z) Taxation status

The activities of the Trust are exempt from income tax. The Trust is registered for GST purposes and has deductible gift recipient status.

(aa) Trustee benefits

No Trustee of the Trust has entered into a material contract with the Trust since the end of the previous financial period and there were no material contracts involving Trustees' interests existing at the end of the period.

(bb) Services Provided at No Cost

Where material contributions are made to the Trust at no charge, an expense is recorded in the accounts to reflect the activities at the Museum and is offset by an equivalent revenue entry.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****2. EXPENSES**

	2007	2006
	\$'000	\$'000
(a) Personnel services expenses *		
Salaries and wages (including recreation leave)	16,650	15,536
Superannuation – defined benefits plans	1,074	974
Superannuation – defined contribution plans	564	585
Payroll Tax and Fringe Benefit Tax	1,067	962
Long Service Leave	765	490
Workers' Compensation Insurance	269	351
Other	26	14
	20,415	18,912

Employee related costs that have been capitalised in fixed asset accounts and therefore excluded from the above: \$0.230M (\$0.160M in 2005-06).

* Including services provided free of charge by DASR valued at \$1.4m (\$1.1m in 2005-06) Refer to Note 6.

(b) Other operating expenses includes the following:

Auditor's Remuneration		
– audit and review of financial reports	66	57
Internal Audit Bureau	–	34
Operating lease rental expense:		
– minimum lease payments	461	406
– rental outgoings	207	114
Freight	172	316
Motor Vehicles Expenses	196	185
Advertising and Promotional	655	652
Electricity	317	343
Gas	149	93
Cleaning and Waste Removal	631	542
Water	47	44
Contractors	1,956	1,767
Travel and Accommodation	374	493
Cost of Sales	558	472
Insurance	884	1,062
Postal and Telephone	446	436
Working Expenses	1,202	1,062
Security Services	76	335
Donations and Contributions	9	21
Hiring Costs	132	135
Books, Journals & Subscriptions	164	167
Licences	207	194
Exhibition Costs	467	755
Minor Plant & Equipment	198	171
Promotion costs	166	397
Staff Training	168	108
Filming & Photography	11	11
Graphics & Design	88	88

AUSTRALIAN MUSEUM TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$'000	2006 \$'000
Consultants	31	–
Legal & Professional	42	58
Printing	273	298
Maintenance* (Refer to Reconciliation below)	1,359	1,879
	<u>11,712</u>	<u>12,695</u>
<i>* Reconciliation:</i>		
Maintenance expense, as above	1,359	1,879
Maintenance related employee expenses included in Note 2 (a)	310	269
Total maintenance expenses included in Note 2 (a) & 2 (b)	<u>1,669</u>	<u>2,148</u>
(c) Depreciation		
Buildings	208	167
Plant and Equipment	3,105	3,241
	<u>3,313</u>	<u>3,408</u>
(d) Grants and subsidies		
Visiting Fellowships	75	56
Other Grants	39	122
	<u>114</u>	<u>178</u>
3. REVENUE		
(a) Sale of Goods and Services		
Sale of Goods		
– Shop sales	844	902
Rendering of services	2,430	3,620
Admission Fees	1,813	2,087
Other	210	434
	<u>5,297</u>	<u>7,043</u>
(b) Investment Revenue		
TCorp Hour-Glass investment facility	784	364
Interest	100	98
	<u>884</u>	<u>462</u>
4. GAIN/ (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
Proceeds from disposal	4	19
Written down value of assets disposed	(464)	(39)
Gain / (Loss) on disposal of Non -Current Assets	<u>(460)</u>	<u>(20)</u>

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****5. OTHER GAINS/ (LOSSES)**

	2007 \$'000	2006 \$'000
Impairment of receivables	18	(130)
	<u>18</u>	<u>(130)</u>

6. GRANTS AND CONTRIBUTIONS

Grants and Contributions: For conditions on Grants and Contributions see Note 12.

Department of Arts, Sport and Recreation *	47,333	1,126
Scientific Research – Federal Government Grants	302	846
Scientific Research – State Government Grants	65	157
Other Grants	524	437
Donations	1,226	1,103
Other	817	730
	<u>50,267</u>	<u>4,399</u>

*Includes personnel services grants of \$1.4m (\$1.1m in 2005-06).

7. CONSOLIDATED FUND APPROPRIATIONS

Recurrent	–	22,378
Capital	–	5,385
	<u>–</u>	<u>27,763</u>

In 2006, the Trust received Consolidated Fund recurrent and capital appropriations directly from NSW Treasury. From 2007, funding for the Trust's operations is by means of grants from DASR. This is shown in Note 6.

8. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and on hand	981	1,384
Short term deposits	221	211
TCorp Hour-Glass Cash Facility	16,135	7,888
	<u>17,337</u>	<u>9,483</u>

For the purpose of the Cash Flow Statement, cash and cash equivalents includes cash at bank, cash on hand, short term deposits and Treasury Corporation Hour Glass Cash Facility. Cash and cash equivalent assets recognised in the Balance Sheet are reconciled to the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance Sheet)	17,337	9,483
Closing Cash and cash equivalents (per Cash Flow Statement)	<u>17,337</u>	<u>9,483</u>

AUSTRALIAN MUSEUM TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

9. CURRENT / NON CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2007 \$'000	2006 \$'000
Sale of Goods & Services	1,578	1,925
Accrued Income	13	2
Prepayments	239	186
Other debtors	10	11
	<u>1,840</u>	<u>2,124</u>
Less: Allowance for Impairments	<u>138</u>	<u>177</u>
Total receivables	<u>1,702</u>	<u>1,947</u>

10. CURRENT / NON CURRENT ASSETS – INVENTORIES

Held for Resale:		
Stock on hand – at cost	<u>228</u>	<u>281</u>
	<u>228</u>	<u>281</u>

11. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings \$'000	Plant and Equipment \$'000	Collections Assets \$'000	Total \$'000
At 1 July 2006				
Gross Carrying Amount	152,668	63,348	530,331	746,347
Accumulated depreciation and impairment	(4,042)	(40,321)	–	(44,363)
Net Carrying Amount at Fair Value	<u>148,626</u>	<u>23,027</u>	<u>530,331</u>	<u>701,984</u>

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Collections \$'000	Total \$'000
At 30 June 2007					
Gross Carrying Amount	21,000	142,448	59,031	530,331	752,810
Accumulated Depreciation	–	(4,250)	(35,212)	–	(39,462)
At Fair Value	<u>21,000</u>	<u>138,198</u>	<u>23,819</u>	<u>530,331</u>	<u>713,348</u>

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

Year Ended 30 June 2007	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Collections \$'000	Total \$'000
Net carrying amount at the start of year (1 July 2006)	21,000	127,626	23,027	530,331	701,984
Additions	–	10,780	4,361	–	15,141
Disposals	–	–	(464)	–	(464)
Depreciation Expense	–	(208)	(3,105)	–	(3,313)
Net Carrying Amount at end of year (30 June 2007)	21,000	138,198	23,819	530,331	713,348

	Land and Buildings \$'000	Plant and Equipment \$'000	Collections Assets \$'000	Total \$'000
At 1 July 2005				
Gross Carrying Amount	149,027	60,792	530,301	740,120
Accumulated depreciation and impairment	(3,875)	(37,757)	–	(41,632)
Net Carrying Amount at Fair Value	145,152	23,035	530,301	698,488
At 30 June 2006				
Gross Carrying Amount	152,668	63,348	530,331	746,347
Accumulated depreciation and impairment	(4,042)	(40,321)	–	(44,363)
Net Carrying Amount at Fair Value	148,626	23,027	530,331	701,984

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land	Buildings	Plant & Equipment	Collections	Total
Year Ended 30 June 2006	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value at start of year	21,000	124,152	23,035	530,301	698,488
Additions	–	3,641	3,272	30	6,943
Disposals	–	–	(39)	–	(39)
Depreciation Expense	–	(167)	(3,241)	–	(3,408)
Fair value at end of year	21,000	127,626	23,027	530,331	701,984

The Land, Plant and Equipment were revalued as at 30 June 2003.

12. RESTRICTED ASSETS**CONDITIONS ON CONTRIBUTIONS AND RESTRICTED ASSETS**

The Museum receives grants from various bodies for specific purposes (see Note 6). Generally grant conditions require monies granted to be spent only on specific projects; however grant conditions vary widely with respect to deliverables, timing, acquittal and repayment requirements. Cash and investments should be held equal to unspent balances where contractually specified.

Unexpended balances for all grant projects at year end were:

	2007 \$'000	2006 \$'000
Scientific Research – Federal Government Grants	1,234	1,486
Scientific Research – State Government Grants	333	324
Other Grants	1,135	1,539
	2,702	3,349

13. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Creditors	2,156	2,977
Payable to personnel services providers:		
Accrued personnel services expenses		
– Recreation Leave	1,157	1,096
– Long Service Leave	350	355
– Accrued salaries, wages and on-costs	88	64
Sundry Accruals	228	876
Unearned revenue	60	202
	4,039	5,570

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****NON CURRENT LIABILITIES**

	2007	2006
	\$'000	\$'000
Payable to personnel services providers:		
Accrued personnel services expenses		
– Long Service Leave on-costs	18	19
	<u>18</u>	<u>19</u>

14. AGGREGATE PERSONNEL SERVICES LIABILITIES

Aggregate Personnel services liabilities and related on-costs:

Current	1,595	1,515
Non-current	18	19
Total Provisions	<u>1,613</u>	<u>1,534</u>

15. CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the financial year	554,106	549,782	154,000	154,000	708,106	703,782
Surplus/(deficit) for the year	20,452	4,324	–	–	20,452	4,324
Total Balance at the end of the Financial year	<u>574,558</u>	<u>554,106</u>	<u>154,000</u>	<u>154,000</u>	<u>728,558</u>	<u>708,106</u>

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the Revaluation of Property, Plant and Equipment as discussed in Note 1.

16. COMMITMENTS FOR EXPENDITURE**(a) Capital commitments**

Aggregate expenditure for the acquisition of capital equipment/projects contracted for at balance date and not provided for:

	2007	2006
	\$'000	\$'000
Not later than one year	19,252	615
Later than 1 year & not later than 5 years	1,035	1,230
Total (including GST)	<u>20,287</u>	<u>1,845</u>

(b) Other expenditure commitments

Aggregate expenditure for Other Operating Expenses contracted for at balance date and not provided for:

Not later than one year	1,564	1,978
Total (including GST)	<u>1,564</u>	<u>1,978</u>

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007****(c) Operating lease commitments**

Future non-cancellable operating lease rentals not provided for and payable:

	2007	2006
	\$'000	\$'000
Not later than 1 year	645	663
Later than 1 year & not later than 5 years	787	1,442
Later than 5 years	53	17
Total (including GST)	<u>1,485</u>	<u>2,122</u>

The Lizard Island Research Station site is occupied by the Trust as lessee from the Queensland government. The current lease expires in 2036.

(d) Goods and Services Tax

The total commitments above include input tax credits of \$2,121,900 (2006 – \$540,464) that are expected to be recoverable from the Australian Taxation Office.

17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS FOR THE YEAR

	2007	2006
	\$'000	\$'000
Reconciliation		
Surplus for the Year	20,452	4,324
Depreciation	3,313	3,408
Increase/(Decrease) in Trade and other payables	(2,290)	(368)
Decrease/(Increase) in Receivables	245	(185)
(Gain)/Loss on Disposal of Plant & Equipment	460	20
Decrease/(Increase) in Inventory	53	(54)
Net cash flows from operating activities	<u>22,233</u>	<u>7,145</u>

18. NON-CASH FINANCING AND INVESTING ACTIVITIES

Non-cash financing and investing activities represented the acceptance of personnel services cost of \$1.359M (\$1.126M in 2006) by the NSW Government.

Material assistance provided to the Museum for which payment was not made, (figures are not available as to the cost of these services) included:

Volunteer Services
Donation of objects for the Collections

19. BEQUESTS AND SPECIAL FUNDS

The Trust may receive monies and gifts of scientific specimens or associated materials. Any such revenues provide for expenditure in the current and future years. There were no such amounts received during the year.

AUSTRALIAN MUSEUM TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

20. TRUSTEES' FEES OR BENEFITS, ETC.

Trust members do not receive emoluments or other benefits of office. There were no loans made to members or employees of the Trust.

21. CONTINGENT ASSETS AND LIABILITIES

The Treasury Managed Fund normally calculates hindsight premiums each year. However in regard to workers compensation the final adjustment calculations are in arrears.

The Trust suffered loss as a result of thefts from its collections and subsequently lodged a claim with its insurer, the NSW Treasury Managed Fund which placed a preliminary estimate of \$2.0m on the claim. The outcome of the claim is still pending and will be clarified in a future period.

The Trust was not aware of any other contingent asset or liability relevant to its functions as at 30 June 2007 (\$Nil at 30 June 2006).

22. PROGRAM INFORMATION

The Australian Museum Trust operates under one Budget program. The objective is to increase and disseminate knowledge about, and encourage the understanding of our natural environment and cultural heritage, especially in the Australian region.

23. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand, cash at bank and cash deposit account with the Commonwealth Bank of Australia, Westpac Banking Corporation. Interest is earned on daily bank balances and paid quarterly into the Trust's bank account. The interest rates at year end ranged from Nil to 6.55%.

TCorp Hour Glass Investments

The Trust has investments in TCorp's Hour-Glass Cash facilities. The Trust's investments are represented by a number of units in managed investments within the facilities. Each facility has different investment horizons and comprises a mix of assets classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

	2007 \$'000	2006 \$'000
Cash Facility	16,135	7,888

This investment is generally able to be redeemed on the day of notification provided advice and form is sent to TCorp before 11am. However, depending on the amount and market conditions, 24 hours' prior notice may be required. The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit exposure is the net fair value. The value of the above investments represents the Trust's share of the value of the underlying assets of the facility and is stated at this value based on market value.

Investments are brought to account at cost. The face value was \$221,492 as at 30 June 2007 (\$210,966 as at 30 June 2006). Investments consisted of term deposits and an at call deposit with the Commonwealth Bank of Australia.

AUSTRALIAN MUSEUM TRUST**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

The interest rate for the investments at year end ranged from 2.4% to 6.55% (2.4% to 5.69% for 2006).

Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written-off. An allowance for impairment is raised when there is objective evidence that the Trust will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 days terms.

Trade Creditors and Accruals

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are normally settled in accordance with the policy set in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. TD219.01 allows the Minister to award interest for late payment. No interest for late payment was paid during the financial year.

24. RESULTS OF FUNDRAISING APPEALS

The Trust conducted a number of fundraising activities during the year and the results are as follows:

	2007 \$'000	2006 \$'000
Gross proceeds from fundraising appeals	191	206
Less : Cost of fundraising	188	180
Net surplus from fundraising	<u>3</u>	<u>26</u>
Cost of Services Provided	2	1
Transferred to/(from) Accumulated Funds	<u>1</u>	<u>25</u>
	<u>3</u>	<u>26</u>

In accordance with the Charitable Fundraising Act 1991, the following ratios are provided:

	2007	2006
	%	%
Total cost of fundraising to Gross income from fundraising	98	87
Net surplus from fundraising to Gross income from fundraising	2	13
Total cost of services / Total expenditure	1	0.5
Total cost of services /Total income received	2	2

25. AFTER BALANCE DATE EVENTS

The Australian Museum Trust is not aware of any post balance date events that would impact this financial report.

END OF AUDITED FINANCIAL STATEMENTS

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The Australian Museum is open from
9.30 am to 5 pm seven days a week
(except 25 December).
Business hours are 9 am to 5 pm
Monday to Friday.

Availability

This report is available at
[www.australianmuseum.net.au/about/
report](http://www.australianmuseum.net.au/about/report). Further information on the
research and education programs and
services of the Australian Museum can
be found at
www.australianmuseum.net.au.

General Museum Entry

Adult \$10
Child/concession/senior \$5
Family (1 adult, 2 children) \$17.50
Family (2 adults, 2 children) \$25
Each additional child \$2.50
School students, Government Concession
Cardholders, Australian Student
Cardholders, Seniors Cardholders (NSW
Government Issue) \$5
Children under 5 years, Australian Aged
Pension Cardholders, Australian Museum
Members FREE
Additional charges may apply to special
exhibitions and activities.



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