

Museums  
Board  
Of  
Victoria



# Introduction to Museum Victoria Financial Statements for 2001/2002

Museum Victoria's report of operations and statement of accounts for 2001/02 comply with the statutory disclosure and other requirements of the Financial Management Act 1994.

In the last year, Museum Victoria successfully made the important transition from building great public campuses (having built five in ten years with the Immigration Museum, Melbourne Museum, Moreland and the Planetarium in the last six years) to being the operator of the most exciting Museums in the nation. As a direct result of this transitional process our financial statements this year show a net deficit of \$12.6 million.

It is important to view this result in its appropriate context. The deficit is primarily the result of having to factor in the depreciation of \$19.4 million, the majority of this attributed to Museum Victoria's newest asset, the \$290 million Melbourne Museum complex. A lesser contributing factor was the finalisation of contractual obligations associated the completion of the Melbourne Museum complex. Both these factors were expected and in no way impact on the operating viability of this organisation.

# Museums Board of Victoria

The Financial Statements have been prepared in accordance with the *Financial Management Act 1994*.

In our opinion, the Financial Statements present fairly the financial transactions during the 2001/02 financial year and the financial position as at 30 June 2002 of the Museums Board of Victoria. At the date of this certificate the Board is not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate other than the items mentioned below.

However, the Board believes that it should be noted that the revenue as stated in the Financial Statements includes revenue of the nature of specific purpose donations and grants which are brought to account when received and not matched with expenditure which may occur in subsequent financial periods.



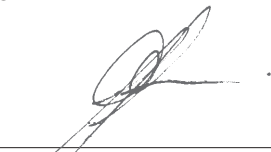

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Mr Harold Mitchell  
PRESIDENT




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Ms Tina McMeckan  
BOARD MEMBER




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Mr Joseph Corponi  
CHIEF ACCOUNTING OFFICER

16 September 2002  
Dated

# Statement of Financial Performance

for the year ended 30 June 2002

	Notes	2001/02 \$'000	2000/01 \$'000
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Victorian Government Grants	3	62,697	54,394
<b>Museum Operations</b>			
Fees & Charges		9,695	8,028
Sales		2,275	1,812
Grants	4	1,646	2,933
Other Income	5	4,341	8,212
Donations		172	14
Rent		393	700
		81,219	76,093
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
Employee Benefits	1(e)	21,119	22,581
Other Operating Expenses	6	25,671	28,332
Cost of Goods for Resale		866	964
Melbourne Museum Expenses		0	866
Capital Charge	1(h)	26,682	26,682
Depreciation & Amortisation		19,497	9,935
		93,835	89,360
<b>Net Result for the Year</b>	9(b)	<b>(12,616)</b>	<b>(13,267)</b>
<b>Net Increase in Asset Revaluation Reserve</b>	9(c)	88,254	0
<b>Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner</b>		<b>75,638</b>	<b>(13,267)</b>

The above statement of financial performance should be read in conjunction with the accompanying notes.

# Statement of Financial Position

as at 30 June 2002

	Notes	2001/02 \$'000	2000/01 \$'000
<b>CURRENT ASSETS</b>			
Cash Assets	2,14.1	1,809	2,104
Receivables	7	1,045	2,855
Inventories	8 &1(c)	792	799
Total Current Assets		3,646	5,758
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment & Exhibitions	10(b),(c) &(d)	442,231	371,368
Collections	10(a)	226,612	217,830
Total Non-Current Assets		668,843	589,198
<b>Total Assets</b>		<b>672,489</b>	<b>594,956</b>
<b>CURRENT LIABILITIES</b>			
Payables	13	1,539	921
Provisions	12(a)	1,925	2,126
Total Current Liabilities		3,464	3,047
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12(b)	2,167	2,285
Total Non-Current Liabilities		2,167	2,285
<b>Total Liabilities</b>		<b>5,631</b>	<b>5,332</b>
<b>Net Assets</b>		<b>666,858</b>	<b>589,624</b>
<b>EQUITY</b>			
Contributed Capital	9(a)	585,864	557,045
Accumulated Loss/Gain	9(b)	(14,013)	27,223
<b>Reserves</b>			
Trust Funds	9(c)	2,998	1,961
Externally Funded Special Projects	9(c)	1,879	1,519
Asset Revaluation Reserve	9(c)	90,130	1,876
<b>Total Equity</b>		<b>666,858</b>	<b>589,624</b>

The above statement of financial position should be read in conjunction with accompanying notes.

# Statement of Cash Flows

for the year ended 30 June 2002

	Notes	2001/02 \$'000	2000/01 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from</b>			
Grants & Donations		1,818	2,947
Interest		215	845
Fees & Charges		7,336	5,839
Sales – Commercial Operations		4,643	4,001
Other		6,316	5,923
Government Grants:			
Recurrent		62,697	54,394
<b>Total Receipts</b>		<b>83,025</b>	<b>73,949</b>
<b>Payments</b>			
Salaries & Associated Costs		(21,384)	(22,238)
Operating Expenses		(50,512)	(54,248)
Building Repairs & Maintenance		(1,230)	(1,616)
Cost of Goods for Resale		(866)	(964)
Melbourne Museum Expenses		0	(866)
<b>Total Payments</b>		<b>(73,992)</b>	<b>(79,932)</b>
<b>Net Cash Inflow from Operating Activities</b>	14.2	<b>9,033</b>	<b>(5,983)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Movement in Other Financial Assets		0	30
Sale of Plant & Equipment		4	0
Government Contributed Capital		1,596	9,296
<b>Payments</b>			
Great Hall		(125)	(2,907)
Purchase of Property, Plant & Equipment		(796)	(267)
Melbourne Museum Development		(10,007)	(23,459)
Scienceworks Land		0	(185)
<b>Net Cash (Outflow) from Investing Activities</b>		<b>(9,328)</b>	<b>(17,492)</b>
<b>Net (Decrease)/Increase in Cash Held</b>		<b>(295)</b>	<b>(23,475)</b>
<b>Cash Held at Beginning of Financial Year</b>		<b>2,104</b>	<b>25,579</b>
<b>Cash at the End of the Financial Year</b>	14.1	<b>1,809</b>	<b>2,104</b>

The accompanying statement of cash flows should be read in conjunction with accompanying notes.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

## 1. SIGNIFICANT ACCOUNTING POLICIES

**(a)** This general-purpose financial report has been prepared in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

The financial report has been prepared under the historical cost convention and has not been adjusted to take account of changing money values, or except where stated, the current cost of specific assets or the impact of that cost on the operating result. The financial report has been prepared on an accrual and going concern basis.

Museum Victoria is economically dependent on the Victorian State Government grant to assist in funding its operations.

### **(b) NON-CURRENT ASSETS**

Museum Victoria is progressively valuing all its assets under the new provisions for the Victorian Government – Revaluation of Non-Current Physical Assets – June 2002. Since the policy was issued, Museum Victoria has completed revaluation of its land, buildings and its collections with the exception of the library. The valuation of the library collection will be undertaken in the 2002/03 financial year.

### **Property, Plant & Equipment**

Museum Victoria periodically values its property, plant and equipment using the services of independent valuers.

### **Collections**

During the 2001/02 financial year Museum Victoria arranged for the revaluation of its collections using a stratified valuation method. This project formed the basis for the valuation of all the Museum collections. The collections have been valued in accordance with the principles set out in the Australian Accounting Standard AASB 1041 – Revaluation of Non-Current Assets.

The collection was valued utilising the fair value method of valuation. The effect of this valuation is disclosed in note 10(a).

Museum Victoria intends revaluing its collections every three years with any future acquisitions being valued at cost or valuation.

### **Library**

During the 1996/97 financial year Museum Victoria completed a project to determine the value of its library collection.

The valuation for each collection was a combination of average values, established from specified sampling frames, in addition to itemised values for individual items that exceeded the defined threshold value.

Museum Victoria intends revaluing its library during the year 2002/03 and then every three years with any future acquisitions being valued at cost or valuation.

### **Depreciation**

Depreciation is charged on non-current assets at rates assessed to match the cost of these assets against their estimated economical lives to the entity. Depreciation is calculated on the straight-line method. No provision is made for the depreciation of the Collections.

Estimates of remaining useful lives to the entity are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Buildings	20–100 years
Plant and equipment	3–10 years
Exhibitions	3–5 years

Exhibitions with a life of one year or less are expensed immediately. Exhibitions with an anticipated life of more than one year are capitalised and depreciated over their remaining useful life.

A detailed valuation of the plant and equipment incorporated in the Melbourne Museum building was provided by Rider Hunt in July 2001. The year old plant and equipment valued at \$47,002,825 was transferred from buildings to plant and equipment and the total useful life was revised downwards from 100 years to 10 years. For each of the remaining 9 years of the asset's life, including the current financial year, depreciation expense will be increased by \$4,713,339 from the original estimate of \$470,028 to \$5,183,367.

### **(c) INVENTORY**

Stocks have been valued at the lower of cost and net realisable value.

### **(d) RECEIVABLES AND REVENUE RECOGNITION**

Trade debtors are recognised at the amount receivable, as they are due for settlement no more than 30 days from the date of recognition. Collectibility of trade debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised where some doubt as to collection exists. A debt is written off when there appears no possibility of the account being collected.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from the sale of goods and services is recognised upon delivery of the goods and services to the customer. Interest revenue is recognised on the proportional basis taking interest rates applicable to the financial assets.

Grants from Government and other sources are brought to account as revenue as and when received, with the exclusion of the Government grants for the construction of the new Melbourne Museum and Immigration Museum building and fitout costs which are treated as contributed capital. Expenditure from such grants is recognised when incurred.

Specific donations, for exhibition development have been treated in these financial statements as revenue.

### (e) EMPLOYEE ENTITLEMENTS

Provision is made in respect of the Museum Victoria's liability for annual leave and long service leave at balance date.

#### Annual Leave

Annual leave entitlements for employees are based on current pay rates and on-costs as at 30 June 2002.

#### Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees to 30 June 2002. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, experience of employee departures and period of service.

The current liability proportion of the provision represents those employees with over ten year's service who are anticipated to take long service leave within twelve months.

Long Service Leave is centrally financed by the Department of Treasury and Finance.

### (f) ROUNDING

All figures in the financial statements and notes thereto have been rounded off to the nearest \$1,000.

### (g) TREATMENT OF CAPITAL CONTRIBUTION

The treatment of capital contributions is based on the requirements of Statement of Accounting Concept SAC 4, which requires capital appropriations to be treated as revenue.

Exceptions to this policy, approved by the Minister of Finance, have been made in the case of contributions for the Melbourne Museum and the Royal Exhibition Buildings upgrade.

### (h) CAPITAL CHARGE

In accordance with Government policy, a departmental capital charge has been applied to distribute the centrally-funded annual cost of capital. The rate charged for the 2001/02 financial year was 8 per cent. This charge represents the interest which Museum Victoria would have paid for the capital works portion of its grant. This charge has been recognised as revenue within the Government grant and disclosed separately as an expense within the financial statements.

### (i) SUPERANNUATION

Museum Victoria is required to recognise all superannuation payments as expenses in its operating statement. The Department of Treasury and Finance shall recognise the aggregate unfunded superannuation liability relating to employing entities in its financial statements of 30 June 2002 as the Victorian Government has assumed responsibility for this liability.

### (j) OTHER FINANCIAL ASSETS

Investments are held for the purpose of gaining income and are not normally sold before maturity. They are recorded in the Statement of Financial Position at cost. No provision for diminution in value is made.

### (k) PAYABLES

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

### (l) LEASED ASSETS

Operating lease payments are charged to the statement of Financial Performance in the periods in which they are incurred, as this represents the pattern of benefits derived from leased assets.

Museum Victoria had no financial lease obligations as at 30 June 2002.

### (m) EVENTS AFTER BALANCE DATE

Museum Victoria is not aware of any material events after balance date which would effect these financial statements.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>2. CASH ASSETS</b>		
Cash Assets		
Cash	559	1,324
Negotiable Certificates of Deposit and Interest Bearing Deposits	1250	780
<b>Total</b>	<b>1,809</b>	<b>2,104</b>

### 3. GOVERNMENT GRANTS

The Museums Board of Victoria received the following grants from the Victorian Government

#### Recurrent Appropriation

Applied to Operations	36,015	26,846
Capital Charge	26,682	26,682
Melbourne Museum	0	866
	62,697	54,394

#### Melbourne Museum Funding

Applied to Contributed Capital	1,411	6,389
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#### Royal Exhibition Building

Applied to Contributed Capital	185	2,907
	1,596	9,296

<b>Total</b>	<b>64,293</b>	<b>63,690</b>
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### 4. GRANTS

#### Sources \*

State Grants from other Agencies	1,094	2,020
Commonwealth Grants	426	481
Other Grants	126	346
Accelerated Move †	0	86

<b>Total</b>	<b>1,646</b>	<b>2,933</b>
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\* The grants indicated above were of an operating nature. The figures shown indicate the grants as received. Expenditure in relation to the grants is accounted for at the time it is incurred.

† Relocation of National Gallery to 328 Swanston Street accelerated move of Museum's collections out of the site.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>5. OTHER INCOME</b>		
Interest	184	880
Legal Settlement	0	1,883
Miscellaneous Income	4,157	5,449
<b>Total</b>	<b>4,341</b>	<b>8,212</b>
<b>6. OTHER OPERATING EXPENDITURE</b>		
Building and Equipment Maintenance	1,230	1,616
<b>Administration</b>		
Consumables	11,349	11,580
Miscellaneous *	6,645	7,006
Consultants †	226	278
Audit Fees #		
External	35	20
Internal	47	65
Bad Debts §	260	23
<b>Exhibitions</b>		
Contractors & Display Costs	5,617	7,069
<b>Research and Collections</b>		
Collection Management	262	589
Accelerated Move	0	86
<b>Total</b>	<b>25,671</b>	<b>28,332</b>

\* The majority of the expenses in this category fall into three areas: Corporate Charges, reimbursement of OMP and Advertising.

† Consultants engaged and paid over \$100,000 during the year are disclosed in the Report of Operation in the Annual Report.

# Audit Fees payable to the Victorian Auditor-General's Office relating to the audit for the year ended 30 June 2002 were \$35,000 (\$20,000 2000/01).

§ Rans Management Group Pty Ltd who managed the Royal Exhibitions Building on behalf of Museum Victoria went into liquidation in July 2002. Museum Victoria has written off all moneys owed by RANS and has taken over management control of the Royal Exhibition Building.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>7. RECEIVABLES</b>		
Debtors	974	2,744
Less Provision for Doubtful Debts	(20)	(20)
	954	2,724
Accrued Revenue	91	131
<b>Total</b>	<b>1,045</b>	<b>2,855</b>
<b>8. INVENTORIES</b>		
Stock of Goods for Resale	804	811
Less Provision for Stock Obsolescence	(12)	(12)
<b>Total</b>	<b>792</b>	<b>799</b>
<b>9. EQUITY</b>		
<b>(a) CONTRIBUTED CAPITAL *</b>		
Balance at beginning of year	557,045	547,749
Transfer from Accumulated Surplus	27,223	0
<b>Capital Receipts</b>		
Victorian Government		
Melbourne Museum Development	1,411	6,389
Royal Exhibition Building		
Royal Exhibition Building Upgrade	185	2,907
<b>Balance at end of the year</b>	<b>585,864</b>	<b>557,045</b>
<b>(b) ACCUMULATED SURPLUS</b>		
Balance at beginning of year	27,223	26,688
Transfer to Contributed Capital	(27,223)	0
<i>Deficit for the Year</i>		
Museums Board of Victoria	(12,616)	(13,267)
<i>Transfer Between Reserves</i>		
Transfer (to)/from Trust Funds	(1,037)	14,118
Transfer to Externally Funded Special Projects	(360)	(316)
<b>Balance at end of the year</b>	<b>(14,013)</b>	<b>27,223</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>9. EQUITY (continued)</b>		
<b>(c) RESERVES</b>		
Trust Funds †		
Balance at beginning of the year	1,961	16,079
<i>Transfer Between Reserves</i>		
Transfer from/(to) Accumulated Surplus	1,037	(14,118)
<b>Balance at end of the year</b>	<b>2,998</b>	<b>1,961</b>
Externally Funded Special Projects #		
Balance at beginning of year	1,519	1,203
<i>Transfer between Reserves</i>		
Transfer from Accumulated Surplus	360	316
<b>Balance at end of the year</b>	<b>1,879</b>	<b>1,519</b>
Asset Revaluation Reserve		
Balance at beginning of year	1,876	1,876
Add Increment	88,254	0
<b>Balance at end of the year</b>	<b>90,130</b>	<b>1,876</b>

\* "Contributed Capital" consists of capital funds provided by the Victorian Government for the building of the new Melbourne Museum, Immigration Museum and Royal Exhibition Building. Ministerial approval has been received for the treatment of these amounts as Contributed Capital.

† "Trust Funds" consist of those funds which may be used by the Museums Board for Museum purposes defined by the relevant Trust deed or will.

# "Externally Funded Special Projects" consist of unexpended Government and other grants tied to a specific purpose.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>10(a) COLLECTIONS</b>		
<b>AT VALUATION (2002 INDEPENDENT VALUATION)</b>		
Indigenous Collections	77,100	71,190
History & Technology Collections	20,900	19,230
Natural Science Collections	123,000	120,730
Library (to be valued 2002/03)	5,612	5,612
<b>AT COST</b>		
Other	0	1,068
<b>Total Collections</b>	<b>226,612</b>	<b>217,830</b>
<b>10(b) PROPERTY</b>		
<b>PROPERTY AT VALUATION</b>		
Land	97,090	36,085
<b>Buildings</b>		
Abbotsford Building (i)	4,000	1,500
Scienceworks Museum (i)	15,724	14,646
Royal Exhibition Building (i)	23,000	23,532
Immigration Museum (i)	15,014	13,275
Moreland Store (i)	5,500	7,560
IMAX (i)	16,400	14,446
Melbourne Museum (i)	183,200	0
	359,928	111,044
<b>Less Accumulated Depreciation</b>		
Abbotsford Building	0	(300)
Scienceworks Museum	0	(771)
Royal Exhibition Building	0	(986)
Immigration Museum	0	(530)
Moreland Store	0	(604)
IMAX	0	(289)
	0	(3,480)
<b>Total Land and Building at Valuation</b>	<b>359,928</b>	<b>107,564</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>10(b) PROPERTY (continued)</b>		
<b>AT COST</b>		
<b>Buildings</b>		
Melbourne Museum	0	213,968
Less Accumulated Depreciation	0	(1,605)
<b>Total Buildings at Cost</b>	<b>0</b>	<b>212,363</b>
<b>Total</b>	<b>359,928</b>	<b>319,927</b>
<b>(i) Abbotsford, Scienceworks, Royal Exhibition Building, Moreland, Immigration Museum, IMAX &amp; Melbourne Museum</b>		
The Australian Valuation Office undertook a valuation of Museum Victoria's land and buildings at fair value in June 2002.		
<b>10(c) PLANT, EQUIPMENT &amp; EXHIBITIONS</b>		
<b>FURNITURE &amp; FITTINGS AND EQUIPMENT</b>		
Furniture & Equipment	58,938	11,392
Less accumulated depreciation	(9,436)	(2,715)
	49,502	8,677
<b>EXHIBITION DEVELOPMENT</b>		
Melbourne Museum at cost	44,875	44,875
Less accumulated depreciation	(14,049)	(5,074)
Scienceworks Museum	955	1,917
Less accumulated depreciation	(844)	(1,751)
Immigration Museum at cost	4,663	4,663
Less accumulated depreciation	(2,799)	(1,866)
Total Exhibition Development	32,801	42,764
<b>Total Property, Plant &amp; Equipment, &amp; Exhibitions</b>	<b>442,231</b>	<b>371,368</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	<b>Crown Land \$'000</b>	<b>Freehold Land \$'000</b>	<b>Buildings \$'000</b>	<b>Plant &amp; Equipment \$'000</b>	<b>Exhibitions \$'000</b>	<b>In course of construction \$'000</b>	<b>Total \$'000</b>
<b>10(d) PROPERTY, PLANT AND EQUIPMENT RECONCILIATION 2002</b>							
Carrying amount at start of year	30,000	6,085	283,842	8,677	42,764	0	371,368
Additions	0	0	10,131	797	0	0	10,928
Disposal	0	0	0	(40)	0	0	(40)
Revaluation	61,005	0	18,467	0	0	0	79,472
Transfer	0	0	(46,650)	46,650	0	0	0
Depreciation	0	0	(2,952)	(6,582)	(9,963)	0	(19,497)
<b>Carrying amount at end of year</b>	<b>91,005</b>	<b>6,085</b>	<b>262,838</b>	<b>49,502</b>	<b>32,801</b>	<b>0</b>	<b>442,231</b>
<b>2001</b>							
Carrying amount at start of year	30,000	5,900	71,984	6,146	4,056	236,399	354,485
Additions	0	185	2,907	267	0	23,459	26,818
Disposal	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Transfer	0	0	211,770	3,213	44,875	(259,858)	0
Depreciation	0	0	(2,819)	(949)	(6,167)	0	(9,935)
<b>Carrying amount at end of year</b>	<b>30,000</b>	<b>6,085</b>	<b>283,842</b>	<b>8,677</b>	<b>42,764</b>	<b>0</b>	<b>371,368</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>11. CONTINGENT LIABILITIES</b>		
Building works have now been completed, however, additional costs may be charged to the Melbourne Museum project due to outstanding contractual disputes with the builder. At this time the quantity is undetermined.		
Museum Victoria has the following contingent liabilities on its exhibition development projects:		
Museum Victoria		
Capital Expenditure – Melbourne Museum	0	3,346
<b>Total</b>	<b>0</b>	<b>3,346</b>
<b>12. PROVISION FOR EMPLOYEE ENTITLEMENTS</b>		
<b>(a) CURRENT LIABILITIES</b>		
Employee Entitlements		
Annual Leave	1,684	1,872
Long Service Leave	241	254
Total	1,925	2,126
<b>(b) NON-CURRENT LIABILITIES</b>		
Employee Entitlements		
Long Service Leave	2,167	2,285
Total	2,167	2,285
<b>Total (including on-costs) – Refer Note 1 (f)</b>	<b>4,092</b>	<b>4,411</b>
<b>13. PAYABLES</b>		
Trade Creditors	352	77
Other Creditors	1,133	844
Accrued Salaries	54	0
<b>Total</b>	<b>1,539</b>	<b>921</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>14. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>14.1 RECONCILIATION OF CASH</b>		
For the purposes of the Statement of Cash Flows, Museum Victoria considers cash to include cash on hand and in banks and investments in money market instruments. Cash at the end of the reporting period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:		
Cash	559	1,324
Other Financial Assets	1,250	780
<b>Total</b> (refer to Note 2)	<b>1,809</b>	<b>2,104</b>
<b>14.2 RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Operating (Deficit)/Surplus	(12,616)	(13,267)
<b>Add (Less) items classified as Investing/Financing activities</b>		
Loss on Sale of Non-current Assets	36	0
<i>Add (Less) non cash items:</i>		
Depreciation & Amortisation	19,497	9,935
Provisions	(319)	343
Net cash provided by (used in) operating activities before change in assets and liabilities	6,598	(2,989)
Increase/(Decrease) in Creditors & Accruals	618	(455)
(Increase)/Decrease in Receivables	1,770	(2,109)
(Increase)/Decrease in Inventories	7	(462)
(Increase)/Decrease in Interest Receivable	40	(35)
(Increase)/Decrease in Prepayments	0	67
<b>Net cash provided by operating activities</b>	<b>9,033</b>	<b>(5,983)</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

## 15. RELATED PARTY TRANSACTIONS

### (a) The Minister, the Director & Board Members of the Museum Board of Victoria

The Minister for the Museums Board of Victoria is the Hon. Mary Delahuntly MLA. The names of each person holding the position of Board member of the Museums Board of Victoria during the financial year are Mr Harold Mitchell, Mr Peter McMullin, Ms Sheila O'Sullivan, Mr Terry Garwood, Mr Peter Hiscock AM, Professor Geoffrey Opat, Dr Janet McCalman, Ms Tina McMeckan, Professor Jennifer Graves, Mr Bob Weiss and Ms Susan Heron. The Acting Chief Executive Officer of the Museum is Dr Robin Hirst. There were no related party transactions by the Minister, the Chief Executive Officer and Board Members.

### (b) There are no other related party transactions

### (c) Transactions with other Government Controlled Entities

During the 2001/02 financial year, transactions were undertaken with other Victorian controlled entities. These transactions are summarised as follows:

	2001/02 \$'000 Intra*	2000/01 \$'000 Intra*	2001/02 \$'000 Inter†	2000/01 \$'000 Inter†
Assets	0	0	0	0
Liabilities	0	0	0	0
Revenue	36,015	26,846	0	0
Expenses	0	0	1,155	1,280

\* Intra transactions are between entities within the portfolio of the Department of Premier and Cabinet.

† Inter transactions are with entities outside the portfolio of the Department and controlled by the Victorian Government.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

## 16. RESPONSIBLE PERSONS REMUNERATION

### (a) RESPONSIBLE PERSONS

Persons who hold the above positions of Responsible Persons in relation to the Board at any time during the reporting period are:

Responsible Minister – Hon. Mary Delahunty MLA

Acting Accountable Officer – Dr Robin Hirst

Board Members – As disclosed in note 15 (a).

### (b) REMUNERATION OF RESPONSIBLE PERSONS

Members of the Board act in an honorary capacity.

The remuneration of Accountable Officers, who are not Members of the Board, is reported below.

	2001/02	2000/01
<b>(c) EXECUTIVES OFFICERS REMUNERATION</b>		
The number of executives officers of the Museum and their relevant remuneration bands for the reporting period are as follows:		
\$18,000 – \$18,999	0	1
\$59,000 – \$59,999	0	1
\$60,000 – \$69,999	1	0
\$80,000 – \$89,999	0	1
\$90,000 – \$99,999	0	1
\$100,000 – \$109,999	4	2
\$110,000 – \$119,999	2	1
\$120,000 – \$129,999	1	1
\$190,000 – \$190,999	0	1
The total remuneration received or due and receivable from the Museum by Executive Officers of the Museum is:	\$820,647	\$899,984

## 17. SUPERANNUATION

The Museum of Victoria has, in its staffing profile, a number of employees who are members of the following public sector superannuation schemes:

### (a) STATE SUPERANNUATION FUND (REVISED SCHEME & NEW)

Employer contributions paid to the above Schemes were \$593,201 (2000/01 \$652,158). Contributions outstanding at 30 June 2002 were \$Nil. The contributions rate for the above Schemes is not available to the Museum.

### (b) STATE SUPERANNUATION FUND (VICSUPER SCHEME)

Employer contributions paid to the above Scheme were \$1,034,457 (2000/01 \$992,590). Contributions outstanding at 30 June 2002 were \$Nil. This represented a contribution rate of 8% of normal salary. Employee contributions were \$Nil.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>18. LEASING COMMITMENTS</b>		
Operating Lease Commitments		
Non-Cancellable Operating Leases contracted for but not capitalised in the accounts		
Payable:		
not longer than 1 year	1,856	1,895
longer than 1 year but not longer than 5 years	1,118	2,301
<b>Total</b>	<b>2,974</b>	<b>4,196</b>

## 19. FINANCIAL INSTRUMENTS

### (a) CREDIT RISK EXPOSURES

The credit risk on financial assets of the economic entity which have been recognised on the balance sheet, other than investment in shares, is generally the carrying amount, net of any provisions for doubtful debts.

### (b) INTEREST RATE RISK EXPOSURE

The economic entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the economic entity intends to hold fixed rate assets and liabilities to maturity.

	Notes	Fixed interest maturing in:				Non- interest bearing \$'000	Total \$'000
		Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>2002</b>							
<b>Financial Assets</b>							
Cash and deposits	2	559	0	0	0	0	559
Receivables	7	31	0	0	0	1,014	1,045
Investments	2	0	1,250	0	0	0	1,250
		590	1,250	0	0	1,014	2,854
Weighted average interest rate		4.29%	4.86%	0%	0%		
<b>Financial liabilities</b>							
Trade and other creditors		0	0	0	0	1,539	1,539
		0	0	0	0	1,539	1,539
Weighted average interest rate		0%	0%	0%	0%		
<b>Net Financial Assets (Liabilities)</b>		<b>590</b>	<b>1,250</b>	<b>0</b>	<b>0</b>	<b>(525)</b>	<b>1,315</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

## 19. FINANCIAL INSTRUMENTS (continued)

	Notes	Floating Interest rate \$'000	Fixed interest maturing in:			Non- interest bearing \$'000	Total \$'000	
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			
<b>2001</b>								
<b>Financial Assets</b>								
Cash and deposits	2	1,324	0	0	0	0	1,324	
Receivables	7	131	0	0	0	2,724	2,855	
Investments	2	0	780	0	0	0	780	
		1,455	780	0	0	2,724	4,959	
Weighted average interest rate		4.80%	6.98%	0%	0%			
<b>Financial Liabilities</b>								
Trade and other creditors		0	0	0	0	921	921	
		0	0	0	0	921	921	
Weighted average interest rate		0%	0%	0%	0%			
<b>Net Financial Assets (Liabilities)</b>		<b>1,455</b>	<b>780</b>	<b>0</b>	<b>0</b>	<b>1,803</b>	<b>4,038</b>	
							<b>2001/02</b>	<b>2000/01</b>
							<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of Net Financial Assets to Net Assets</b>								
Net Financial Assets as above						1,315	4,038	
Non-Financial Assets as Liabilities:								
Inventories						792	799	
Property, Plant & Equipment						442,231	371,368	
Collections						226,612	217,830	
Provisions						(4,092)	(4,411)	
<b>Net Assets per Balance Sheet</b>						<b>666,858</b>	<b>589,624</b>	

### c) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

#### On-balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the economic entity approximates their carrying value.

The net fair value of other monetary financial assets is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets with similar risk profiles. In the 2001/02 financial year Museum Victoria did not have any financial assets in this class.



AUDITOR GENERAL  
VICTORIA

AUDITOR-GENERAL'S REPORT

**To the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Museums Board of Victoria**

**Audit Scope**

The accompanying financial report of the Museums Board of Victoria for the financial year ended 30 June 2002, comprising statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Board are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Board's financial position, financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of the Museums Board of Victoria as at 30 June 2002, its financial performance and cash flows for the year then ended.

MELBOURNE  
18 September 2002

  
for J.W. CAMERON  
Auditor-General

# Index of Compliance

The Department of Treasury and Finance requires the following details to comply with reporting requirements in terms of Part 7 of the Financial Management Act 1994.

Index to disclosure requirements 1997/98

The annual report is prepared in accordance with the Financial Management Act 1994 and the directions of the Minister for Finance.

<b>CLAUSE</b>	<b>DISCLOSURE</b>	<b>PAGE</b>
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<i>Charter and purpose</i>		
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# Index of Compliance

## Financial statements

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# Fees and Charges

## CAMPUS FEES

The following campus fees and charges applied at Museum Victoria's public museum campuses as at 30 June 2002.

	Adult	Child	Concession	Family
Melbourne Museum	\$15.00	\$8.00	\$11.00	\$35.00
Melbourne Museum & Imax	\$25.50	\$19.50	\$15.50	\$65.50
Scienceworks Museum	\$9.50	\$4.50	\$7.00	\$25.00
Scienceworks Museum & Melbourne Planetarium	\$15.00	\$8.00	\$11.50	\$41.00
Immigration Museum	\$7.00	\$3.50	\$5.50	\$17.50

### Notes

- Melbourne Museum entry includes one free session of ICE Theatre per person. ICE only tickets are \$4.50 per person.
- Tours of the Royal Exhibition Building: adult \$5.00 or \$3.00 add-on to Melbourne Museum ticket, child \$2.00.
- Special fees apply for various ticket options such as combined ICE and IMAX Theatres, Melbourne Planetarium and school bookings, special activities and programs. Surcharges apply for some special touring exhibitions.

## MEMBERSHIP FEES FOR MUSEUM VICTORIA MEMBERS

	1 year	2 years
Household	\$90.00	\$144.00
Joint Adult	\$80.00	\$128.00
Adult	\$54.00	\$86.00
Senior/Concession	\$36.00	\$57.00
Child	\$18.00	\$29.00

Membership provides: unlimited entry to all campuses, discounts for touring exhibitions, Melbourne Planetarium, Imax Theatre and retail outlets, free admission to a number of interstate museums and Museum Victoria's quarterly magazine.