

Financial statements

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In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian National Maritime Museum will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of council members.



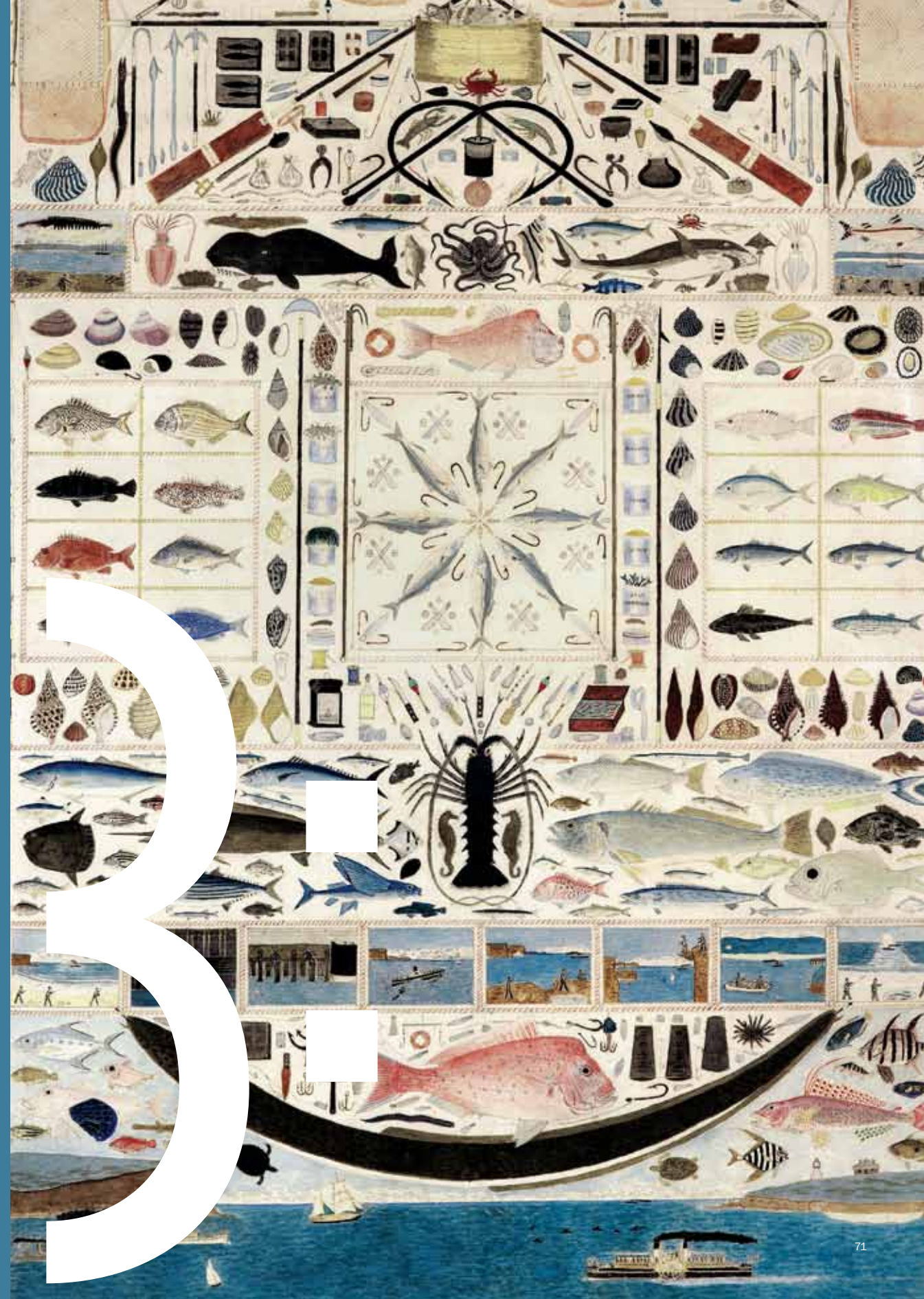
Signed
Peter Dexter AM
Chairman
12 October 2012



Kevin Sumption
Director
12 October 2012



Joan Miller
Chief financial officer
12 October 2012





INDEPENDENT AUDITOR'S REPORT

To the Minister for the Arts

I have audited the accompanying financial statements of the Australian National Maritime Museum and the controlled entity for the year ended 30 June 2012, which comprise: a Statement by Council Members and Chief Financial Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies. The consolidated entity comprises the Australian National Maritime Museum and the entity it controlled during the financial year.

Council Members' Responsibility for the Financial Statements

The council members of the Australian National Maritime Museum are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian National Maritime Museum's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian National Maritime Museum's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the council members, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australian National Maritime Museum:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the consolidated entity's financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
12 October 2012

Australian National Maritime Museum
Statement of comprehensive income
for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Employee benefits	3A	13,553	12,383
Supplier expenses	3B	12,995	11,788
Depreciation and amortisation	3C	7,426	9,662
Write-down and impairment of assets	3D	-	119
Losses from asset sales	3E	325	-
Grants	3F	108	126
Total expenses		34,407	34,078
LESS:			
OWN-SOURCE INCOME			
<i>Own-source revenue</i>			
Sale of goods and rendering of services	4A	7,680	5,533
Interest	4B	1,103	1,272
Total own-source revenue		8,783	6,805
Gains			
Sale of assets	3E	-	10
Other	4C	3,475	3,154
Total gains		3,475	3,164
Total own-source income		12,528	9,969
Net cost of services		22,149	24,109
Revenue from Government	4D	21,692	21,551
Surplus (deficit) attributable to the Australian Government		(457)	(2,558)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		7,489	(34)
Total other comprehensive income		7,489	(34)
Total comprehensive income(deficit) attributable to the Australian Government		7,032	(2,592)

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

Australian National Maritime Museum
Balance sheet
as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5A	21,411	25,985
Trade and other receivables	5B	712	1,246
Total financial assets		22,123	27,231
Non-financial assets			
Land and buildings	6A,E	200,160	190,656
Infrastructure, plant and equipment	6B,E	11,138	9,554
Heritage and cultural assets	6C,E	67,648	65,970
Intangibles	6D,E	1,394	1,078
Inventories	6F	168	135
Other	6G	433	156
Total non-financial assets		280,941	267,549
Total Assets		303,064	294,780
LIABILITIES			
Payables			
Suppliers	7A	3,457	2,849
Other	7B	690	1,762
Total payables		4,147	4,611
Provisions			
Employee provisions	8A	2,353	2,305
Total provisions		2,353	2,305
Total Liabilities		6,500	6,916
Net Assets		296,564	287,864
EQUITY			
Contributed equity		7,032	5,364
Reserves		228,858	221,369
Retained surplus		60,674	61,131
Total Equity		296,564	287,864

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

Australian National Maritime Museum
Statement of changes in equity
for the year ended 30 June 2012

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity / Capital		Total Equity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Opening balance	61,131	63,689	221,369	221,403	5,364	3,726	287,864	288,818
Comprehensive income								
Surplus (deficit) for the period	(457)	(2,558)	-	-	-	-	(457)	(2,558)
Other comprehensive income	-	-	7,489	(34)	-	-	7,489	(34)
Total comprehensive income	(457)	(2,558)	7,489	(34)	-	-	7,032	(2,592)
Contribution by owners								
Equity injection	-	-	-	-	1,668	1,638	1,668	1,638
Total contribution by owners	-	-	-	-	1,668	1,638	1,668	1,638
Closing balance at 30 June	60,674	61,131	228,858	221,369	7,032	5,364	296,564	287,864

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

Cash flow statement
for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		7,284	5,143
Receipts from Government		21,692	21,551
Interest		1,141	1,273
Net GST received		2,413	1,759
Other		481	551
Total cash received		33,011	30,277
Cash used			
Employees		(11,405)	(10,588)
Suppliers		(14,633)	(11,188)
Other		(108)	(126)
Total cash used		(26,146)	(21,902)
Net cash from operating activities	9B	6,865	8,375
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of plant & equipment		76	39
Total cash received		76	39
Cash used			
Purchase of property, plant and equipment		(10,256)	(11,336)
Purchase of heritage and cultural items		(1,887)	(2,606)
Purchase of intangibles		(1,040)	(674)
Total cash used		(13,183)	(14,616)
Net cash (used by) investing activities		(13,107)	(14,577)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		1,668	1,638
Total cash received		1,668	1,638
Net cash from financing activities		1,668	1,638
Net increase (decrease) in cash held		(4,574)	(4,564)
Cash at the beginning of the reporting period		25,985	30,549
Cash at the end of the reporting period	5A	21,411	25,985

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

Australian National Maritime Museum
Schedule of commitments
as at 30 June 2012

	2012 \$'000	2011 \$'000
BY TYPE		
Commitments (receivable)		
Lease rental income	(5,921)	(590)
GST recoverable	(592)	(59)
Total commitments (receivable)	(6,513)	(649)
Commitments payable		
Capital commitments		
Land and buildings	(1) -	3,234
Infrastructure, plant and equipment	590	1,230
Heritage and cultural assets	334	81
Total capital commitments	924	4,545
Other commitments		
Operating leases	(2) 344	153
Total other commitments	344	153
Net commitments	(5,245)	4,049

BY MATURITY		
Commitments (receivable)		
Operating lease income		
One year or less	(1,837)	(129)
From one to five years	(4,676)	(520)
Total operating lease income	(6,513)	(649)
Capital commitments		
One year or less	924	4,545
Total capital commitments	924	4,545
Operating lease commitments		
One year or less	116	153
From one to five years	228	-
Total operating lease commitments	344	153
Net commitments by maturity	(5,245)	4,049

NB: Commitments are GST inclusive where relevant.

- Capital commitments include contracts in respect of the museum's capital works program and conservation programs
- Operating lease commitments include a lease for storage facilities on which there are no contingent rentals

Schedule of contingencies
as at 30 June 2012

There were no quantifiable contingent losses or gains as at 30 June 2012 (2011: nil).

The above schedule should be read in conjunction with the accompanying notes.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Objectives

The Australian National Maritime Museum is an Australian Government controlled entity. The role of the museum is to promote a broad interpretation of maritime heritage and culture, to preserve it and to bring it to life.

The museum is structured to meet one outcome, being increased knowledge, appreciation and enjoyment of Australia's maritime heritage by managing the National Maritime Collection and staging programs, exhibitions and events.

1.1 Basis of Preparation of the Financial Statements

The Financial Statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and are a General Purpose Financial Report.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting period ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Financial Statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The Financial Statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified (see note 1.21).

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefit has occurred and can be reliably measured.

Consolidation and associated company

The Financial Statements show information for the economic entity only; this reflects the consolidated results for the parent entity, the Australian National Maritime Museum, and its wholly-owned controlled entity, The Australian National Maritime Foundation. The results of the parent entity do not differ materially from the economic entity and have therefore not been separately disclosed. The Australian National Maritime Foundation is a company limited by guarantee. See note 17.

The accounting policies of The Australian National Maritime Foundation are consistent with those of the museum and its assets, liabilities and results have been consolidated with the parent entity accounts in accordance with the Accounting Standards. All internal transactions and balances have been eliminated on consolidation.

1.2 Significant Accounting Judgement and Estimates

In applying the accounting policies listed in this note, judgement has been made as to the fair value that has significant impact on the amounts recorded in the financial statements. The fair value of land has been taken to be the market value of similar properties. The buildings are purpose built and were independently valued. The fair value of heritage and cultural assets has been taken to be the book value or the market value as determined by independent valuers. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 New Accounting Standards

Adoption of new Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable in the current period have had a material financial affect on the Australian National Maritime Museum.

Future Australian Accounting Standard Requirements

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the Australian Accounting Standards Board. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

1.4 Revenue

Revenue from Government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to the Australian National Maritime Museum) is recognised as Revenue from Government unless they are in the nature of equity injections.

Other Types of Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract to provide the service. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collection of debts is reviewed at balance date. Provisions are made when collection of the debt is no longer probable.

1.5 Gains

Sale of Assets

Gain from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Resources Received Free of Charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

1.6 Transactions by the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year, less any formal reductions, are recognised directly in Contributed Equity in that year (2012: \$1,668 and 2011: \$1,638).

1.7 Employee Benefits

Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within 12 months of balance date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2012. In determining the present value of the liability, the museum has taken into account attrition rates and pay increases through promotion and inflation.

Superannuation

Staff of the museum are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). The CSS and PSS are defined benefit schemes and the PSSap is a defined contributions scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The museum makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the museum's employees. The museum accounts for the contributions as if they were contributions to defined contribution plans.

1.8 Leases

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 leased non-current assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits. The museum has no finance leases.

Operating lease payments are expensed on a basis that is representative of the pattern of benefits derived from the leased assets.

1.9 Grants

The museum recognises grant liabilities as follows.

Most grant agreements require the grantee to perform services or provide facilities, or to meet eligibility criteria. In these cases, liabilities are recognised only to the extent that the services required have been performed or the eligibility criteria have been satisfied by the grantee.

In cases where grant agreements are made without conditions to be monitored, liabilities are recognised on signing of the agreement.

1.10 Cash

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.11 Financial Assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of recognition. The museum classifies its financial assets as loans and receivables.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables and are included in current assets. Loans and receivables are measured at nominal cost less impairment. The museum has no loans.

1.12 Financial Liabilities

The museum classifies its financial liabilities as other financial liabilities.

Suppliers and other payables are classified as other financial liabilities and are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received and irrespective of having been invoiced.

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Revaluations

Property, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset is not materially different, at reporting date, from its fair value. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Valuations undertaken in each year are at 30 June.

Fair values for each class of assets are determined as shown below.

Asset Class	Fair Value Measured at
Land	Market appraisal
Buildings	Market appraisal
Infrastructure, Plant & Equipment	Market appraisal
Heritage and Cultural Assets	Market appraisal

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the relevant amount.

Under fair value, assets which are surplus to requirements are measured at their net realisable value.

Depreciation and Amortisation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives using, in all cases, the straight line method of depreciation.

Depreciation and amortisation rates, residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	2012	2011
Leasehold land	105 years	105 years
Buildings	15-50 years	22-100 years
Infrastructure, Plant & Equipment	3-20 years	3-20 years

The Museum has made a provisional assessment of the remaining useful lives of its buildings and has estimated that the main exhibition building has a remaining life of 30 years at 30 June 2012. This estimate will be subject to further review by the Finance, Audit, Capital Works, Assets and Systems Committee during the upcoming year.

Heritage and Cultural assets

The Australian National Maritime Museum collects, manages and displays cultural and heritage assets of Australian maritime history. These assets are classified as Heritage and Cultural assets as they are primarily used for purposes that relate to cultural significance.

A key objective of the Australian National Maritime Museum is the preservation of Heritage and Cultural assets and details in relation to the museum's curatorial, preservation and conservation policies are posted on the museum's web site.

With effect from 1 July 2012, the museum's Heritage and Cultural assets will be depreciated according to the assessment of useful lives.

Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and impairment adjustment made if the asset's recoverable amount is less than its carrying amount (2012: \$ nil and 2011: \$153).

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependant on the asset's ability to generate future cash flows, and the asset would be replaced if the museum were deprived of the asset, its value in use is taken at market appraisal.

1.16 Intangibles

Intangibles comprise software for internal use and are carried at cost less accumulated amortisation. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the museum's software are 5–10 years (2011: 5–10 years).

1.17 Inventories

Inventories held for resale by the museum store are valued at the lower of cost and net realisable value.

1.18 Taxation

The museum is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); and
- except for receivables and payables.

1.19 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables (if any) are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.20 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.21 Rounding

Amounts are rounded to the nearest \$1,000 except in relation to:

- remuneration of Council members (note 10);
- remuneration of senior executives (note 12);
- remuneration of auditors (note 13);
- assets held in trust (note 15); and
- Australian National Maritime Foundation (note 17).

2. EVENTS AFTER THE REPORTING PERIOD

Departmental

There was no subsequent event that had a potential to significantly affect the on-going structure and financial activities of the entity.

	2012 \$'000	2011 \$'000
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3. EXPENSES

3A: Employee Benefits

Wages and salaries	7,326	7,123
Superannuation:		
Defined contribution plans	572	534
Defined benefit plans	608	671
Leave and other entitlements	1,272	1,198
Volunteer resources, free of charge	2,100	1,800
Other employee expenses	1,675	1,057
Total employee benefits	13,553	12,383

3B: Suppliers

Goods and Services

Consultants	1,103	1,152
Contractors	3,517	3,481
Partnerships and programs	2,522	2,129
Cost of goods sold	322	320
Other	5,281	4,484
Total goods and services	12,745	11,566

Goods and services are made up of:		
Goods and services – related entities	1,092	1,030
Goods and services – external parties	11,653	10,536
Total goods and services	12,745	11,566

Other supplier expenses

Operating lease rentals	149	135
Workers compensation expenses	101	87
Total other supplier expenses	250	222
Total supplier expenses	12,995	11,788

3C: Depreciation and Amortisation

Depreciation:		
Buildings	4,954	7,383
Infrastructure, plant and equipment	1,553	1,513
Total depreciation	6,507	8,896

Amortisation:		
Leasehold land	254	257
Intangibles - Computer software	665	509
Total amortisation	919	766
Total depreciation and amortisation	7,426	9,662

3D: Write-Down and Impairment of Assets

Asset write-down and impairments from:		
Heritage and Cultural assets	-	119
Total write-down and impairment of assets	-	119

	2012 \$'000	2011 \$'000
3E: Gains (losses) from asset sales		
Heritage and cultural assets:		
Proceeds from sale	40	-
Carrying value of assets sold	209	-
Net gains (losses) from sales of assets	(169)	-
Infrastructure, plant and equipment:		
Proceeds from sale	35	39
Carrying value of assets sold	118	29
Net gains (losses) from sales of assets	(83)	10
Buildings		
Proceeds from sale	-	-
Carrying value of assets sold	13	-
Net gains (losses) from sales of assets	(13)	-
Intangibles:		
Proceeds from sale	-	-
Carrying value of assets sold	60	-
Net gains (losses) from sales of assets	(60)	-
Total net gains (losses) from sales of assets	(325)	10
3F: Grants Expense		
Non-profit institutions	108	126
Total grants expense	108	126
3G: Operating Expenditure for Heritage and Cultural Assets		
Operating expenditure	1,568	1,612
Total	1,568	1,612

Operating expenditure is a representation of expenditure relating to Heritage and Cultural assets and is contained in the statement of comprehensive income.

4. INCOME

REVENUE

4A: Sales of Goods and Rendering of Services

Provision of goods – external parties	730	713
Rendering of services – related entities	52	42
Rendering of services – external parties	6,898	4,778
Total sales of goods and rendering of services	7,680	5,533

4B: Interest

Deposits	1,103	1,272
Total interest	1,103	1,272

	2012 \$'000	2011 \$'000
GAINS		
4C: Other Gains		
Volunteer resources, free of charge	2,100	1,800
Sponsorship in kind	893	803
Industry contributions	226	179
Grants	166	235
Other	90	137
Total other gains	3,475	3,154

Other gains include service-related donations-in-kind from a range of donors.

REVENUE FROM GOVERNMENT

4D: Revenue from Government

Department of Regional Australia, Local Government, Arts and Sport		
CAC Act body payment item	5,602	-
Department of Prime Minister and Cabinet		
CAC Act body payment item	16,090	21,551
Total revenue from Government	21,692	21,551

5: FINANCIAL ASSETS

5A: Cash and Cash Equivalents

Cash at bank and on hand	1,502	1,835
Deposits at call	19,909	24,150
Total cash and cash equivalents	21,411	25,985

5B: Trade and Other Receivables

Goods and Services

Goods and services – related entities	16	18
Goods and services – external parties	76	74
Total receivables for goods and services	92	92

Other receivables:

GST receivable from the ATO	560	932
Interest	60	101
Other	-	121
Total other receivables	620	1,154
Total trade and other receivables (net)	712	1,246

Receivables are aged as follows:

Not overdue	675	1,223
Overdue by:		
0 to 30 days	17	18
31 to 60 days	8	2
More than 90 days	12	3
Total receivables (gross)	712	1,246

All receivables are current assets.

	2012 \$'000	2011 \$'000
6: NON-FINANCIAL ASSETS		
6A: Land and Buildings		
Leasehold land		
Fair value	84,000	80,706
Accumulated amortisation	-	(257)
Total leasehold land	84,000	80,449
Buildings		
Fair value	116,160	131,229
Accumulated depreciation	-	(21,022)
Total buildings on leasehold land	116,160	110,207
Total land and buildings (non-current)	200,160	190,656
Leasehold land and buildings were revalued in June 2012 by the Australian Valuation Office and the valuation of \$200 million has been brought to account.		

No land or buildings are expected to be sold or disposed of within the next 12 months.

6B: Infrastructure, Plant and Equipment

Infrastructure, plant and equipment		
Fair value	31,796	31,132
Accumulated depreciation	(20,658)	(21,578)
Total infrastructure, plant and equipment (non-current)	11,138	9,554

No indicators of impairment were found for infrastructure, plant and equipment.

No infrastructure, plant or equipment is expected to be sold or disposed of within the next 12 months.

6C: Heritage and Cultural Assets

Heritage and cultural assets – at fair value	67,648	65,970
Total heritage and cultural assets (non-current)	67,648	65,970

No indicators of impairment were found for heritage and cultural assets.

No heritage or cultural assets are expected to be sold or disposed of within the next 12 months.

6D: Intangibles

Computer software - in use	3,118	2,591
accumulated amortisation	(1,724)	(1,513)
Total intangibles (non-current)	1,394	1,078

No indicators of impairment were found for intangible assets.

No intangible assets are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

All increments and decrements were transferred to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. Revaluation increments of \$7.489 million were brought to account in 2012. (2011: \$.153 million decrement)

6E: Reconciliation of the opening and closing balances of Property, Plant and Equipment (2011-12)

	Land \$'000s	Buildings \$'000s	Total Land & Buildings \$'000s	Property, Plant & Equipment \$'000s	Heritage & Cultural Assets \$'000s	Intangibles \$'000s	Total \$'000s
As at 1 July 2011							
Gross book value	80,706	131,229	211,935	31,132	65,970	2,591	311,628
Accumulated depreciation / amortisation	(257)	(21,022)	(21,279)	(21,578)	-	(1,513)	(44,370)
	80,449	110,207	190,656	9,554	65,970	1,078	267,258
Additions							
By purchase	-	7,236	7,236	3,255	1,887	1,041	13,419
Net revaluation adjustment in June 2012	3,805	3,684	7,489				7,489
Depreciation / amortisation expense	(254)	(4,954)	(5,208)	(1,553)	-	(665)	(7,426)
Disposals							
Other disposals	-	(13)	(13)	(118)	(209)	(60)	(400)
As at 30 June 2012							
Gross book value	84,000	116,160	200,160	31,796	67,648	3,118	302,722
Accumulated depreciation / amortisation	-	-	-	(20,658)	-	(1,724)	(22,382)
Net book value	84,000	116,160	200,160	11,138	67,648	1,394	280,340

6E (Cont'd): Reconciliation of the opening and closing balances of Property, Plant and Equipment (2010-11)

	Land \$'000s	Buildings \$'000s	Total Land & Buildings \$'000s	Property, Plant & Equipment \$'000s	Heritage and Cultural Assets \$'000s	Intangibles \$'000s	Total \$'000s
As at 1 July 2010							
Gross book value	80,706	123,810	204,516	27,291	63,517	1,982	297,306
Accumulated depreciation / amortisation	-	(13,638)	(13,638)	(20,114)	-	(1,069)	(34,821)
	80,706	110,172	190,878	7,177	63,517	913	262,485
Additions							
By purchase	-	7,419	7,419	3,916	2,606	674	14,615
Net revaluation adjustment							
Depreciation / amortisation expense	(257)	(7,383)	(7,640)	(1,513)	(153)	-	(153)
Disposals						(509)	(9,662)
Other disposals	-	-	-	(29)	-	-	(29)
As at 30 June 2011							
Gross book value	80,706	131,229	211,935	31,132	65,970	2,591	311,628
Accumulated depreciation / amortisation	(257)	(21,022)	(21,279)	(21,578)	-	(1,513)	(44,370)
Net book value	80,449	110,207	190,656	9,554	65,970	1,078	267,258

Notes to and forming part of the financial statements
for the year ended 30 June 2012

	2012	2011
	\$'000	\$'000

6F: Inventories

Inventories held at cost	168	135
Total inventories	168	135

All inventories are current assets.

6G: Other Non-Financial Assets

Pre-payments	433	156
Total other non-financial assets	433	156

All other non-financial assets are current.

7: PAYABLES

7A: Suppliers

Trade creditors and accruals	3,457	2,849
Total supplier payables	3,457	2,849

7B: Suppliers payables expected within 12 months

Trade creditors and accruals – related entities	73	41
Trade creditors and accruals – external parties	3,384	2,808
Total supplier payables	3,457	2,849

All supplier payables are current.

7C: Other payables

Salaries and wages	333	214
Deferred revenue	239	1,439
Other	118	109
Total other payables	690	1,762

All other payables are current.

8: PROVISIONS

8A: Employee Provisions

Leave	2,353	2,305
Total employee provisions	2,353	2,305

Employee provisions expected to be settled in:

No more than 12 months	1,073	1,225
More than 12 months	1,280	1,080
Total employee provisions	2,353	2,305

	2012 \$'000	2011 \$'000
9: CASH FLOW RECONCILIATION		
9A: Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
<i>Cash and cash flow equivalents as per:</i>		
Cash flow statement	21,411	25,985
Balance sheet	21,411	25,985
Difference	-	-
9B: Reconciliation of net cost of services in net cash from operating activities:		
Net cost of services	22,149	24,109
Add revenue from Government	21,692	21,551
Operating surplus(deficit)	(457)	(2,558)
Adjustments for non-cash items		
Depreciation/amortisation	7,426	9,662
Net write down of non-financial assets	-	119
(Gain)/loss on disposal of assets	325	(10)
Changes in assets/liabilities		
(Increase)/decrease in net receivables	534	(587)
(Increase)/decrease in inventories	(34)	3
(Increase)/decrease in other assets	(277)	305
Increase/(decrease) in employee provisions	48	(5)
Increase/(decrease) in payables	(700)	1,446
Net cash from operating activities	6,865	8,375

	2012	2011
10: COUNCIL MEMBERS REMUNERATION		
The number of non-executive Council Members of the museum included in these figures is shown below in the relevant remuneration bands.		
\$Nil - \$29,999	8	8
\$30,000 - \$59,999	1	0
Total	9	8
	\$	\$
Total remuneration received or due and receivable by non-executive Council Members	169,099	127,801

Remuneration of executive directors is included in Note 12: Senior Executive Remuneration.

11: RELATED PARTY DISCLOSURES

There were no related party disclosures during the reporting period.

	2012 \$	2011 \$
12: SENIOR EXECUTIVE REMUNERATION EXPENSES		
12A: Senior Executive Remuneration Expenses for the Reporting Period		
Short-term employee benefits:		
Salary	1,099,759	818,780
Annual leave	48,966	60,379
Performance bonus	64,205	-
Other	33,826	44,165
Total short-term employee benefits	1,246,756	923,324
Post-employment benefits:		
Superannuation	114,636	120,740
Total post-employment benefits	114,636	120,740
Other long-term benefits:		
Long Service Leave	23,439	29,805
Total post-employment benefits	23,439	29,805
Total employment benefits	1,384,831	1,073,869

- Note 12A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$150,000.
- Non-salary elements available to senior executives:
 - Includes motor vehicle
 - Includes superannuation

12B: Average Annual Reportable remuneration paid to substantive senior Executives during the reporting period

Average annualised remuneration packages for executive	As at 30 June 2012			
	Senior Executives Number	Reportable Salary	Contributed Superannuation	Reportable allowances
Total remuneration (including part time arrangement)				
Less Than \$150,000	2	\$124,380	\$14,391	0
\$150,000 to \$179,999	3	\$135,953	\$24,166	\$0
\$420,000 to \$449,999	1	\$395,318	\$13,356	\$0
Total	6	\$655,651	\$51,913	0
				\$46,472
				\$754,035

Average annualised remuneration packages for executive	As at 30 June 2011			
	Senior Executives Number	Reportable Salary	Contributed Superannuation	Reportable allowances
Total remuneration (including part time arrangement)				
Less Than \$150,000	2	\$112,446	\$13,720	\$0
\$150,000 to \$179,999	3	\$130,682	\$23,870	\$0
\$240,000 to \$269,999	1	\$223,232	\$21,690	\$0
Total	6	\$466,360	\$59,280	\$0
				\$0
				\$525,640

This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

'Reportable salary' includes the following: a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column); b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); c) accrued leave paid out on resignation; and d) exempt foreign employment income.

The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.

'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries

'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column

Notes to and forming part of the financial statements
for the year ended 30 June 2012

13: REMUNERATION OF AUDITORS

	2012 \$	2011 \$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	42,000	42,000

No other services were provided by the auditors of the financial statements.

	\$'000	\$'000
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14: FINANCIAL INSTRUMENTS

14A: Categories of Financial Instruments

Financial Assets

Loans and receivables financial assets		
Cash at bank and on hand	1,502	1,835
Deposits at call	19,909	24,150
Receivables for goods and services	76	199
Interest receivable	60	101
Receivable from associated entities	16	14
Carrying amount of financial assets	21,563	26,299

Financial Liabilities

Other financial liabilities		
Trade creditors	3,457	2,849
Carrying amount of financial liabilities	3,457	2,849

14B: Net Income and Expense from Financial Assets

Loan and Receivables		
Interest revenue	1,103	1,272
Net gain loans and receivables	1,103	1,272

14C: Net Income and Expense from Financial Liabilities

There is no net interest income or expense from financial liabilities not at fair value through profit or loss in the year ending 30 June 2012. (2011: nil)

14D: Fair Value of Financial Instruments

The carrying amounts of the financial instruments approximate their fair values.

14E: Credit Risk

The museum is exposed to minimum credit risk as the majority of the loans and receivables are cash and deposits at call. The maximum exposure to credit risk is the risk that arises from potential default of a trade debtor. This amount is equal to the total receivable for goods and services (2012: \$76,915 and 2011: \$74,410).

The museum has no significant exposures to any concentrations of credit risk and has policies and procedures which outline debt recovery techniques.

The ageing of financial assets that are past due but not impaired is equal to the ageing of receivables and is stated in note 5B.

14F: Liquidity Risk

The majority of the museum's financial liabilities are trade creditors and prepayments received. The exposure to liquidity risk is based on the probability that the museum will encounter difficulty in meeting its obligations associated with financial liabilities. This risk is minimal due to appropriation funding and internal policies and procedures which ensure that there are appropriate resources to meet financial obligations.

14G: Market Risk

The museum holds basic financial instruments that do not expose the museum to 'currency risk' or 'other price risk'.

The museum is exposed to 'interest rate risk' which arises from the investment in short term cash and deposits with fixed and floating interest rates. This amount is equal to the total of cash at bank and deposits at call (2012: \$21,411,152 and 2011: \$25,985,251).

15. ASSETS HELD IN TRUST

The museum has established a number of Trust accounts which are detailed below. Donations and bequests are received for specified purposes and moneys received are placed in a special bank account and expended on the specified projects in accordance with the terms of the trusts. These moneys are not available for other purposes of the museum and are not recognised in the financial statements.

	2012 \$	2011 \$
15A: USA Bicentennial Gift Fund		
A gift was received to develop and maintain the USA Gallery at the museum and upon completion of the fitout, the assets were transferred to the museum. The residual of the gift is held in trust and the financial position of the Fund is as follows:		
Opening balance at 1 July	5,606,996	5,430,769
Receipts:		
Distributions/Interest	332,234	306,288
	5,939,230	5,737,057
Less payments:		
Acquisitions	36,066	99,404
Other expenses	18,079	30,657
Closing balance at 30 June	5,885,085	5,606,996
Represented by:		
Cash at Bank	5,871,957	5,713,693
Distributions/Interest receivable	13,128	36,583
(Liability) to the museum	-	(143,280)
	5,885,085	5,606,996

15B: NZ Bicentennial Gift Fund

A fund was created in respect to the yacht *Akarana*. The financial position of the Fund is as follows:

Opening balance at 1 July	72,409	69,095
Receipts: Interest	3,924	3,314
Closing balance at 30 June	76,333	72,409
Represented by investment	76,333	72,409

	2012 \$	2011 \$
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15C: Maritime Museum Bequest Fund

A fund was created to accommodate non-specific bequests made to the museum. The financial position of the Fund is as follows:

Opening balance at 1 July	178,254	170,095
Receipts: Interest	9,661	8,159
Closing balance at 30 June	187,915	178,254
Represented by investment	187,915	178,254

15D: Louis Vuitton Fund

A fund was created to set up the Louis Vuitton Collection and for the acquisition of materials relating to the maritime association between France and Australia. The financial position of the Fund is as follows:

Opening balance at 1 July	20,069	19,151
Receipts: Interest	1,088	919
Closing balance at 30 June	21,157	20,070
Represented by investment	21,157	20,070

16. REPORTING OF OUTCOMES

16A: Net Cost of Outcome Delivery

Expenses		
Departmental expenses	34,407	34,068
Total expenses	34,407	34,068
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Departmental	7,628	5,491
Total costs recovered	7,628	5,491
Other external revenues		
Departmental		
Sale of goods and services – to related entities	52	42
Interest	1,103	1,272
Donation and bequests	2,993	2,603
Industry contributions	226	179
Grants	166	235
Other	89	137
Total Departmental	4,629	4,468
Total other external revenues	4,629	4,468
Net cost of outcome	22,150	24,109

2012
\$'000

2011
\$'000

16B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome

	Outcome 1	
Expenses		
Employees	13,553	12,383
Suppliers	12,995	11,788
Grants	108	126
Depreciation and amortisation	7,426	9,662
Write-down of assets	-	119
Losses on disposal of assets	325	-
Total departmental expenses	34,407	34,078
Income		
Revenues from Government	21,692	21,551
Sale of goods and services	7,680	5,533
Interest	1,103	1,272
Donations and bequests	2,993	2,603
Industry contributions	226	179
Grants	166	235
Other	90	147
Total departmental income	33,950	31,520
Assets		
Cash and cash equivalents	21,411	25,985
Trade and other receivables	712	1,246
Land and buildings	200,160	190,656
Property, plant and equipment	11,138	9,554
Heritage and cultural assets	67,648	65,970
Intangibles	1,394	1,078
Inventories	168	135
Other	433	156
Total departmental assets	303,064	294,780
Liabilities		
Suppliers	3,457	2,849
Other	690	1,762
Employee provisions	2,353	2,305
Total departmental liabilities	6,500	6,916

16C: Outcomes of the museum

The museum is structured to meet one outcome as described in Note 1. Only one Output Group is identified for the Outcome and all the museum's revenues, expenses, assets and liabilities are attributable to that Output Group.

17. THE AUSTRALIAN NATIONAL MARITIME FOUNDATION

The Australian National Maritime Foundation is a Company Limited by Guarantee and is controlled by the Council of the Australian National Maritime Museum.

The Foundation's objectives are to create a capital fund, through gifts, bequests and fund-raising activities, for the purposes of:

- Acquiring major additional items or collections of items to develop the National Maritime Collection;
- Conserving the National Maritime Collection; and
- Other activities which enhance the National Maritime Collection.

The financial position of the Foundation is as follows:

	2012 \$	2011 \$
Opening balance at 1 July	445,801	443,916
Revenues: Interest	19,063	6,324
Revenues: Donations	-	100
	464,864	450,340
Less expenses: Suppliers	3,857	4,539
Closing balance at 30 June	461,007	445,801
Represented by:		
Cash at bank	467,261	451,542
Receivables	1,425	1,018
Payables	(7,679)	(6,759)
	461,007	445,801

18. NET CASH APPROPRIATION ARRANGEMENTS

	\$'000	\$'000
Total comprehensive surplus (deficit) less depreciation expenses not funded through revenue appropriation	7,284	(902)
Plus: Depreciation not funded through revenue appropriation	(252)	(1,690)
Total comprehensive income (deficit) as per the Statement of Comprehensive Income	7,032	(2,592)