

03

financial statements



Young visitors to our summer spectacular *Planet Shark – Predator or Prey – The Exhibition* inspect a life-size replica of Bruce the Great White shark who was tagged to record his oceanic travels. Exhibition and image from Grande Exhibitions

Australian National Maritime Museum
Statement by Council Members and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2011 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
29 September 2011



Mary-Louise Williams
Director
29 September 2011



Joan Miller
Chief Financial Officer
29 September 2011



INDEPENDENT AUDITOR'S REPORT

To the Minister for the Arts

I have audited the accompanying financial statements of the Australian National Maritime Museum for the year ended 30 June 2011, which comprise: a Statement by Council Members and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

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 the council members determine 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 Australian National Maritime Museum's financial position as at 30 June 2011 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
29 September 2011

Australian National Maritime Museum
Statement of comprehensive income
for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefits	3A	12,383	11,285
Supplier expenses	3B	11,788	11,622
Depreciation and amortisation	3C	9,662	9,475
Write-down and impairment of assets	3D	119	337
Losses from asset sales	3E	-	117
Grants	3F	126	97
Total expenses		34,078	32,933
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	5,533	7,522
Interest	4B	1,272	908
Total own-source revenue		6,805	8,430
Gains			
Sale of assets	3E	10	-
Other	4C	3,154	2,878
Total gains		3,164	2,878
Total own-source income		9,969	11,308
Net cost of services		24,109	21,625
Revenue from Government	4D	21,551	21,647
Surplus (deficit) attributable to the Australian Government		(2,558)	22
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		(34)	(2,677)
Total other comprehensive income		(34)	(2,677)
Total comprehensive income(deficit) attributable to the Australian Government		(2,592)	(2,655)

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

Australian National Maritime Museum
Balance sheet
as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5A	25,985	30,549
Trade and other receivables	5B	1,246	658
Total financial assets		27,231	31,207
Non-financial assets			
Land and buildings	6A,E	190,656	190,878
Infrastructure, plant and equipment	6B,E	9,554	7,177
Heritage and cultural assets	6C,E	65,970	63,517
Intangibles	6D,E	1,078	913
Inventories	6F	135	139
Other	6G	156	461
Total non-financial assets		267,549	263,085
Assets held for sale			
Infrastructure, plant and equipment	7	-	215
Total assets held for sale		-	215
Total Assets		294,780	294,507
LIABILITIES			
Payables			
Suppliers	8A	2,849	1,389
Other	8B	1,762	1,990
Total payables		4,611	3,379
Provisions			
Employee provisions	9A	2,305	2,310
Total provisions		2,305	2,310
Total Liabilities		6,916	5,689
Net Assets		287,864	288,818
EQUITY			
Contributed equity		5,364	3,726
Reserves		221,369	221,403
Retained surplus		61,131	63,689
Total Equity		287,864	288,818

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

Australian National Maritime Museum
Statement of changes in equity
for the period ended 30 June 2011

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity / Capital		Total Equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Opening balance	63,689	63,667	221,403	224,080	3,726	2,118	288,818	289,865
Comprehensive income								
Surplus (deficit) for the period	(2,558)	22	-	-	-	-	(2,558)	22
Other comprehensive income	-	-	(34)	(2,677)	-	-	(34)	(2,677)
Total comprehensive income	(2,558)	22	(34)	(2,677)	-	-	286,226	(2,655)
Contribution by owners								
Equity injection	-	-	-	-	1,638	1,608	1,638	1,608
Total contribution by owners	-	-	-	-	1,638	1,608	1,638	1,608
Closing balance at 30 June	61,131	63,689	221,369	221,403	5,364	3,726	287,864	288,818

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

Australian National Maritime Museum
Cash flow statement
for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		5,143	9,801
Receipts from Government		21,551	21,647
Interest		1,273	853
Net GST received		1,759	1,110
Other		551	630
Total cash received		30,277	34,041
Cash used			
Employees		(10,588)	(9,585)
Suppliers		(11,188)	(12,068)
Other		(126)	(97)
Total cash used		(21,902)	(21,750)
Net cash from operating activities	10	8,375	12,291
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of plant & equipment		39	56
Total cash received		39	56
Cash used			
Purchase of property, plant and equipment		(11,336)	(2,744)
Purchase of heritage and cultural items		(2,606)	(1,633)
Purchase of intangibles		(674)	(450)
Total cash used		(14,616)	(4,827)
Net cash (used by) investing activities		(14,577)	(4,772)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		1,638	1,608
Total cash received		1,638	1,608
Net cash from financing activities		1,638	1,608
Net increase (decrease) in cash held		(4,564)	9,127
Cash at the beginning of the reporting period		30,549	21,422
Cash at the end of the reporting period	5A	25,985	30,549

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

Australian National Maritime Museum
Schedule of commitments
as at 30 June 2011

	2011 \$'000	2010 \$'000
BY TYPE		
Commitments (receivable)		
Lease rental income	(590)	(743)
GST recoverable	(59)	(74)
Total commitments (receivable)	(649)	(817)
Commitments payable		
Capital commitments		
Land and buildings	(1) 3,234	2,820
Infrastructure, plant and equipment	1,230	-
Heritage and cultural assets	81	287
Total capital commitments	4,545	3,107
Other commitments		
Operating leases	(2) 153	148
Other commitments	-	279
Total other commitments	153	427
Net commitments	4,049	2,717
BY MATURITY		
Commitments (receivable)		
Operating lease income		
One year or less	(129)	(168)
From one to five years	(520)	(649)
Total operating lease income	(649)	(817)
Capital commitments		
One year or less	4,545	3,107
Total capital commitments	4,545	3,107
Operating lease commitments		
One year or less	153	148
Total operating lease commitments	153	148
Other commitments		
One year or less	-	279
Total other commitments	-	279
Net commitments by maturity	4,049	2,717

NB: Commitments are GST inclusive where relevant.

1. Capital commitments include contracts in respect of the museum's capital works program
2. Operating lease commitments include a lease for storage facilities on which there are no contingent rentals

Schedule of contingencies
as at 30 June 2011

There were no quantifiable contingent losses or gains as at 30 June 2011 (2010: nil).

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

Australian National Maritime Museum
 Schedule of asset additions
 for the period ended 30 June 2011

The following non-financial non-current assets were added in 2010-11:

	Land & buildings	Heritage & cultural assets	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase – Government funding	7,419	2,606	3,916	674	14,615
Total additions	7,419	2,606	3,916	674	14,615

Australian National Maritime Museum
Notes to and forming part of the financial statements
for the year ended 30 June 2011

Note	Description
1	Summary of Significant Accounting Policies
2	Economic Dependency
3	Expenses
4	Income
5	Financial Assets
6	Non-Financial Assets
7	Assets Held for Sale
8	Payables
9	Provisions
10	Cash Flow Reconciliation
11	Remuneration of Council Members
12	Related Party Disclosures
13	Executive Remuneration
14	Remuneration of Auditors
15	Financial Instruments
16	Assets Held in Trust
17	Reporting of Outcomes
18	The Australian National Maritime Foundation
19	Comprehensive Income (Deficit) Attributable to the Australian Government

Notes to and forming part of the financial statements for the year ended 30 June 2011

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 2010; 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 18.

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.

Notes to and forming part of the financial statements for the year ended 30 June 2011

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 (2011: \$1,638 and 2010: \$1,608).

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 2011. 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.

Notes to and forming part of the financial statements for the year ended 30 June 2011

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 (Land and Buildings), and Infrastructure, Plant and Equipment

Asset Recognition Threshold

Purchases of property, infrastructure, 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

Land, buildings, 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2011

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

	2011	2010
Leasehold land	105 years	105 years
Buildings	22 years	22 years
Infrastructure, Plant & Equipment	3-20 years	3–20 years

All Heritage and Cultural Assets are restored and conserved and are subject to a Collection and Preservation Plan and related policies designed to ensure that the assets will be preserved indefinitely. In accordance with Australian Implementation Guidance which accompanies AASB 116, the museum has determined that Heritage and Cultural Assets will not be depreciated as they will have indefinite useful lives as long as the museum complies with its Collection and Preservation Plan and related policies. These assets are independently valued with sufficient frequency such that the carrying amount of the assets are not materially different, at reporting date, from fair value and are subject to ongoing impairment testing. At 30 June 2011, independent valuations supported the total carrying value of Heritage and Cultural Assets.

Impairment

All assets were assessed for impairment at 30 June 2011. 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 (2011: \$ 153 and 2010: \$2,677).

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 (2010: 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.

Notes to and forming part of the financial statements
for the year ended 30 June 2011

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 11);
- remuneration of senior executives (note 13);
- remuneration of auditors (note 14);
- assets held in trust (note 16); and
- Australian National Maritime Foundation (note 18).

2. ECONOMIC DEPENDENCY

The Australian National Maritime Museum is controlled by the Commonwealth of Australia and is dependent on revenues from Government for its continued existence and ability to carry out its normal activities.

	2011 \$'000	2010 \$'000
3. EXPENSES		
3A: Employee Benefits		
Wages and salaries	7,123	6,183
Superannuation:		
Defined contribution plans	534	389
Defined benefit plans	671	733
Leave and other entitlements	1,198	1,210
Volunteer resources, free of charge	1,800	1,650
Other employee expenses	1,057	1,120
Total employee benefits	12,383	11,285
3B: Suppliers		
Goods and Services		
Consultants	1,152	1,180
Contractors	3,481	3,957
Partnerships and programs	2,129	1,987
Cost of goods sold	320	367
Other	4,484	3,919
Total goods and services	11,566	11,410
Goods and services are made up of:		
Goods and services – related entities	1,030	1,606
Goods and services – external parties	10,536	9,804
Total goods and services	11,566	11,410
Other supplier expenses		
Operating lease rentals	135	134
Workers compensation expenses	87	78
Total other supplier expenses	222	212
Total supplier expenses	11,788	11,622

Notes to and forming part of the financial statements
for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
<u>3C: Depreciation and Amortisation</u>		
Depreciation:		
Buildings	7,383	7,207
Infrastructure, plant and equipment	1,513	1,665
Total depreciation	8,896	8,872
Amortisation:		
Leasehold land	257	261
Intangibles - Computer software	509	342
Total amortisation	766	603
Total depreciation and amortisation	9,662	9,475

3D: Write-Down and Impairment of Assets

Asset write-down and impairments from:		
Infrastructure, plant and equipment	-	308
Heritage and cultural assets	119	-
Intangibles	-	29
Total write-down and impairment of assets	119	337

3E: Gains (losses) from asset sales

Property, plant and equipment:		
Proceeds from sale	39	56
Carrying value of assets sold	29	173
Net gains (losses) from sales of assets	10	(117)

3F: Grants Expense

Non-profit institutions	126	97
Total grants expense	126	97

3G: Operating Expenditure for Heritage and Cultural Assets

Operating expenditure	1,612	1,388
Total	1,612	1,388

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	713	787
Rendering of services – related entities	42	6
Rendering of services – external parties	4,778	4,629
Settlement received	-	2,100
Total sales of goods and rendering of services	5,533	7,522

The museum received \$2,100 in the year ending 30 June 2010 in respect to the Settlement and Release of a legal matter commenced in prior years.

Notes to and forming part of the financial statements
for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
4B: Interest		
Deposits	1,272	908
Total interest	1,272	908

GAINS

4C: Other Gains

Volunteer resources, free of charge	1,800	1,650
Sponsorship in kind	803	598
Industry contributions	179	68
Grants	235	376
Other	137	186
Total other gains	3,154	2,878

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

REVENUE FROM GOVERNMENT

4D: Revenue from Government

Department of Prime Minister and Cabinet
(2010: Department of Environment, Water,
Heritage and the Arts):

CAC Act body payment item	21,551	21,647
Total revenue from Government	21,551	21,647

5: FINANCIAL ASSETS

5A: Cash and Cash Equivalents

Cash at bank and on hand	1,835	2,358
Deposits at call	24,150	28,191
Total cash and cash equivalents	25,985	30,549

5B: Trade and Other Receivables

Goods and Services

Goods and services – related entities	18	22
Goods and services – external parties	74	71
Total receivables for goods and services	92	93

Other receivables:

GST receivable from the ATO	932	421
Interest	101	101
Other	121	43
Total other receivables	1,154	565
Total trade and other receivables (net)	1,246	658

Notes to and forming part of the financial statements
for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Receivables are aged as follows:		
Not overdue	1,223	621
Overdue by:		
0 to 30 days	18	2
31 to 60 days	2	8
61 to 90 days	-	-
More than 90 days	3	27
Total receivables (gross)	1,246	658

All receivables are current assets.

6: NON-FINANCIAL ASSETS

6A: Land and Buildings

Leasehold land		
Fair value	80,706	80,706
Accumulated amortisation	(257)	-
Total leasehold land	80,449	80,706

Buildings		
Fair value	131,229	123,810
Accumulated depreciation	(21,022)	(13,638)
Total buildings on leasehold land	110,207	110,172

Total land and buildings (non-current)	190,656	190,878
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6B: Infrastructure, Plant and Equipment

Infrastructure, plant and equipment		
Fair value	31,132	27,291
Accumulated depreciation	(21,578)	(20,114)
Total infrastructure, plant and equipment (non-current)	9,554	7,177

6C: Heritage and Cultural Assets

Heritage and cultural assets – at fair value	65,970	63,517
Total heritage and cultural assets (non-current)	65,970	63,517

The Museum received approval to re-classify certain heritage assets from Infrastructure, Plant & Equipment to Heritage & Cultural Assets at their net book value at 1 July 2009 (2011 and 2010: \$20,491)

6D: Intangibles

Computer software - in use	2,591	1,982
accumulated amortisation	(1,513)	(1,069)
Total intangibles (non-current)	1,078	913

Notes to and forming part of the financial statements
for the year ended 30 June 2011

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

	Land \$'000s	Buildings \$'000s	Total Land & Buildings \$'000s	Infrastructure, Plant & Equipment \$'000s	Heritage & 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	-	-	-	-	(153)	-	(153)
Depreciation / amortisation expense	(257)	(7,383)	(7,640)	(1,513)	-	(509)	(9,662)
Disposals							
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 2010

6E (Cont'd): Reconciliation of the opening and closing balances of Property, Plant and Equipment (2009-10)

	Land \$'000s	Buildings \$'000s	Total Land & Buildings \$'000s	Infrastructure, Plant & Equipment \$'000s	Heritage and Cultural Assets \$'000s	Intangibles \$'000s	Total \$'000s
As at 1 July 2009							
Gross book value	83,500	123,789	207,289	69,690	41,393	1,561	319,933
Accumulated depreciation / amortisation	(261)	(6,952)	(7,213)	(41,673)	-	(728)	(49,614)
	83,239	116,837	200,076	28,017	41,393	834	270,320
Additions							
By purchase	-	1,230	1,230	1,514	1,633	450	4,827
Asset Transfer				(20,491)	20,491		-
Impairment Adjustment	(2,272)	(405)	(2,677)	-	-	-	(2,677)
Depreciation / amortisation expense	(261)	(7,207)	(7,468)	(1,665)	-	(342)	(9,475)
Disposals							
Other disposals		(283)	(283)	(198)	-	(29)	(510)
As at 30 June 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)
Net book value	80,706	110,172	190,878	7,177	63,517	913	262,485

Notes to and forming part of the financial statements
for the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
<u>6F: Inventories</u>		
Inventories held at cost	135	139
<i>Total inventories</i>	135	139

All inventories are current assets.

6G: Other Non-Financial Assets

Pre-payments	156	461
<i>Total other non-financial assets</i>	156	461

All other non-financial assets are current.

No indicators of impairment were found for other non-financial assets.

7. ASSETS HELD FOR SALE

Infrastructure, plant and equipment	-	215
<i>Total assets held for sale</i>	-	215

8: PAYABLES

8A: Suppliers

Trade creditors and accruals	2,849	1,389
<i>Total supplier payables</i>	2,849	1,389

All supplier payable are current.

8B: Other payables

Salaries and wages	214	82
Deferred revenue	1,439	1,855
Other	109	53
<i>Total other payables</i>	1,762	1,990

All other payables are current.

9: PROVISIONS

9A: Employee Provisions

Leave	2,305	2,310
<i>Total employee provisions</i>	2,305	2,310

Employee provisions expected to be settled in:

No more than 12 months	1,225	1,050
More than 12 months	1,080	1,260
<i>Total employee provisions</i>	2,305	2,310

Notes to and forming part of the financial statements
for the year ended 30 June 2011

2011
\$'000

2010
\$'000

10: CASH FLOW RECONCILIATION

**10A: Reconciliation of cash and cash equivalents
as per Balance Sheet to Cash Flow Statement**

Cash and cash flow equivalents as per:

Cash flow statement	25,985	30,549
Balance sheet	25,985	30,549
Difference	-	-

**10B: Reconciliation of net cost of services in net
cash from operating activities:**

Net cost of services	24,109	21,625
Add revenue from Government	21,551	21,647
Operating surplus(deficit)	(2,558)	22

Adjustments for non-cash items

Depreciation/amortisation	9,662	9,474
Net write down of non-financial assets	119	337
(Gain)/loss on disposal of assets	(10)	117

Changes in assets/liabilities

(Increase)/decrease in net receivables	(587)	598
(Increase)/decrease in inventories	3	9
(Increase)/decrease in other assets	305	171
Increase/(decrease) in employee provisions	(5)	100
Increase/(decrease) in payables	1,446	1,463
Net cash from operating activities	8,375	12,291

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11: 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	0	1
Total	8	9

Total remuneration received or due and receivable by non-executive Council Members

	\$	\$
Short-term benefits – salary	110,746	128,852
Superannuation	17,055	13,981
Total	127,801	142,833

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12: RELATED PARTY DISCLOSURES

There were no related party disclosures during the reporting period.

13: SENIOR EXECUTIVE REMUNERATION FOR THE REPORTING PERIOD

The number of senior executives who received:	2011	2010
Less than \$150,000	1	0
\$150,000 to \$179,999	4	2
\$180,000 to \$209,999	-	1
\$240,000 - \$269,999	1	-
\$270,000 - \$284,999	-	1
Total	6	4
Total expense recognised in relation to senior executive employment		
Short-term benefits:	\$	\$
Salary (including annual leave taken)	850,424	602,690
Performance bonus	-	53,063
Other	44,165	25,437
Total short-term benefits	894,589	681,190
Superannuation	107,665	87,106
Total	1,002,254	768,296

Average annualised salary packages for senior executives

	2011		
Total remuneration:	Base Salary	Bonus	Total package
\$150,000 to \$179,999	3	163,063	-
\$240,000 to \$269,000	1	244,922	-
Total	4		

	2010		
Total remuneration:	Base Salary	Bonus	Total package
\$150,000 to \$179,999	2	169,492	20,544
\$240,000 to \$269,000	-	-	-
\$270,000 to \$284,999	1	257,761	22,890
Total	3		

Notes:

1. Excludes acting arrangements and part-year service.
2. During the reporting period, there were no employees whose salary plus performance bonus were \$150,000 or more.
3. Non-salary elements available to senior executives:
 - Includes motor vehicle
 - Includes superannuation
 - Excludes discretionary performance bonus

Notes to and forming part of the financial statements
for the year ended 30 June 2011

	2011 \$	2010 \$
14: REMUNERATION OF AUDITORS		
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	42,000	48,500

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

	\$'000	\$'000
15: FINANCIAL INSTRUMENTS		

15A: Categories of Financial Instruments

Financial Assets

Loans and receivables financial assets		
Cash at bank and on hand	1,835	2,358
Deposits at call	24,150	28,191
Receivables for goods and services	199	114
Interest receivable	101	101
Receivable from associated entities	14	22
Carrying amount of financial assets	26,299	30,786

Financial Liabilities

Other financial liabilities		
Trade creditors	2,849	1,389
Carrying amount of financial liabilities	2,849	1,389

15B: Net Income and Expense from Financial Assets

Loan and Receivables

Interest revenue	1,272	908
Net gain loans and receivables	1,272	908

15C: 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 2011. (2010: nil)

15D: Fair Value of Financial Instruments

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

15E: 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 (2011: \$74,410 and 2010: \$72,434).

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.

15F: 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.

Notes to and forming part of the financial statements
for the year ended 30 June 2011

15G: 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 (2011: \$25,985,251 and 2010: \$30,548,796).

16. 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.

	2011	2010
	\$	\$
16A: 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	5,430,769	5,259,516
Receipts:		
Distributions/Interest	306,288	239,547
	5,737,057	5,499,063
Less payments:		
Acquisitions	99,404	31,038
Other expenses	30,657	37,255
	5,606,996	5,430,769
Closing balance at 30 June	5,606,996	5,430,769
Represented by:		
Cash at Bank	5,713,693	5,436,615
Distributions/Interest receivable	36,583	7,373
(Liability) to the museum	(143,280)	(13,219)
	5,606,996	5,430,769

16B: 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	69,095	66,664
Receipts: Interest	3,314	2,430
Closing balance at 30 June	72,409	69,095
Represented by investment	72,409	69,095

16C: 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	170,095	164,112
Receipts: Interest	8,159	5,983
Closing balance at 30 June	178,254	170,095
Represented by investment	178,254	170,095

Notes to and forming part of the financial statements
for the year ended 30 June 2011.

	2011 \$	2010 \$
16D: 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	19,151	18,477
Receipts: Interest	919	674
Closing balance at 30 June	20,070	19,151
Represented by investment	20,070	19,151
	\$'000	\$'000

17. REPORTING OF OUTCOMES

17A: Net Cost of Outcome Delivery

Expenses		
Departmental expenses	34,068	32,933
Total expenses	34,068	32,933
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Departmental	5,491	7,516
Total costs recovered	5,491	7,516
Other external revenues		
Departmental		
Sale of goods and services – to related entities	42	6
Interest	1,272	908
Donation and bequests	2,603	2,248
Industry contributions	179	68
Grants	235	376
Other	137	186
<i>Total Departmental</i>	4,468	3,792
Total other external revenues	4,468	3,792
Net cost of outcome	24,109	21,625

17B: Departmental Revenues and Expense by Output Group

	Outcome 1 Output 1	
Departmental expenses		
Employees	12,383	11,285
Suppliers	11,788	11,622
Grants	126	98
Depreciation and amortisation	9,662	9,474
Write-down of assets	119	337
Losses on disposal of assets	-	117
Total departmental expenses	34,078	32,933
Funded by:		
Revenues from Government	21,551	21,647
Sale of goods and services	5,533	7,522
Interest	1,272	908
Donations and bequests	2,603	2,248
Industry contributions	179	68
Grants	235	376
Other	147	186
Total departmental revenues	31,520	32,955

Notes to and forming part of the financial statements
for the year ended 30 June 2011

17C: 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.

18. 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:

	2011	2010
	\$	\$
Opening balance at 1 July	443,916	443,139
Revenues: Interest	6,324	3,796
Revenues: Donations	100	10
	450,340	446,946
Less expenses: Suppliers	4,539	3,030
Closing balance at 30 June	445,801	443,916
Represented by:		
Cash at bank	451,542	447,801
Receivables	1,018	605
Payables	(6,759)	(4,490)
	445,801	443,916

19. COMPREHENSIVE INCOME (DEFICIT) ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT

	\$'000	\$'000
Total comprehensive income(deficit) attributable to the Australian Government		
Total comprehensive income	(2,592)	(2,655)
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	1,650	1,473
Total comprehensive income(deficit) attributable to the Australian Government	(942)	(1,182)