



HER MAJESTY QUEEN ELIZABETH II, HIS ROYAL HIGHNESS THE DUKE OF EDINBURGH, PROFESSOR DAVID PENINGTON AC, PRESIDENT, MUSEUMS BOARD OF VICTORIA AND DR GEORGE MACDONALD, CHIEF EXECUTIVE OFFICER, MUSEUM VICTORIA AND DIRECTOR, MELBOURNE MUSEUM, AT THE IMMIGRATION MUSEUM.

INTRODUCTION TO THE FINANCIAL STATEMENTS

Museum Victoria's report of operations and statement of accounts for 1999-2000 comply with the statutory disclosure and other requirements of the *Financial Management Act 1994*, and a full index of compliance is tabled on page 69.

Points of interest include:

Revenue and Expenses Statement

- Victorian Government Grants has shown an increase of \$19.099 million which is mainly attributable to the increase in the capital charge and recurrent operational grant receipt. The capital charge has been applied to distribute the centrally funded annual cost of capital. It represents the interest, which the Museum would have paid for the capital works portion of its grant. This charge has been shown separately as an expense within the financial statements. The increase in recurrent operational grant is directly tied to the increased business activities associated with the opening of the new Melbourne Museum.
- Museum expenditure has disclosed an increase of \$16.085 million which can be mainly attributed to additional salary and associated costs of \$0.698 million, the increase in the capital charge of \$13.034 million and the increase in depreciation and amortisation charges of \$1.138 million.

Balance Sheet

- Non-Current Assets have shown an increase of \$33.815 million, which is related to the continual growth of the Melbourne Museum project and, the Government's capital contribution to the Royal Exhibition Building.

Cash Flow

- The cash flow statement disclosed a decrease of \$65.107million, which is a direct result of the decrease of activity of the Melbourne Museum project and the completion of the Immigration and Hellenic Antiquities Museum and the Sciencework's Planetarium project.

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

In our opinion, the Financial Statements present fairly the financial transactions during the 1999/00 financial year and the financial position as at 30 June, 2000 of the Museums Board of Victoria. At the date of this certificate the Board is not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

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



Professor David Penington AC
PRESIDENT



Mr Ian Sinclair
BOARD MEMBER



Mr Joseph Corponi
CHIEF ACCOUNTING OFFICER

28/8/2000

DATED

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

	NOTES	1999/00 \$'000	1998/99 \$'000
REVENUE			
Victorian Government Grants	3	56,165	37,066
Museum Operations			
Fees & Charges		3,750	2,733
Sales		887	786
Grants	4	10,717	12,285
Other Income	5	3,282	3,112
Donations		2	1
Rent		832	811
Total Revenue		75,635	56,794
LESS EXPENSES			
Salaries and Operating Expenses	7&1(k)	33,301	32,603
Cost of Goods for Resale		488	144
Melbourne Museum Expenses		1,437	566
Capital Charge	1(j)	30,813	17,779
Depreciation & Amortisation		3,254	2,116
Total Expenses		69,293	53,208
OPERATING SURPLUS (DEFICIT) FOR THE YEAR BEFORE ABNORMAL ITEM		6,342	3,586
ABNORMAL ITEMS			
Revaluation Scienceworks Building	6	0	(5,103)
Operating Surplus (deficit) for the Year		6,342	(1,517)
Retained surplus at beginning of year		19,970	21,551
Amount Available for Appropriation		26,312	20,034
Aggregate of amounts Transferred from (to) Reserves	10 (b)	376	(64)
RETAINED SURPLUS AT END OF YEAR		26,688	19,970

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2000

	NOTES	1999/00 \$'000	1998/99 \$'000
CURRENT ASSETS			
Cash	14.1	2,470	873
Investments	2&14.1	23,109	23,334
Receivables	8	711	979
Inventories	9&1(c)	337	268
Prepayments		67	148
Total Current Assets		26,694	25,602
NON-CURRENT ASSETS			
Property, Plant & Equipment	11(b)&(c)	354,485	320,618
Collections	11(a)	217,830	217,830
Investments	2	30	82
Total Non-Current Assets		572,345	538,530
TOTAL ASSETS		599,039	564,132
CURRENT LIABILITIES			
Creditors & Accruals		1,376	1,061
Provision for Employee Entitlements	13(a)	1,747	1,404
Total Current Liabilities		3,123	2,465
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements	13(b)	2,321	1,884
Total Non-Current Liabilities		2,321	1,884
CAPITAL & RESERVES			
Contributed Capital	10(a)	547,749	520,279
Retained Surplus	10(b)	26,688	19,970
Reserves			
Trust Funds	10(c)	16,079	16,353
Externally Funded Special Projects	10(c)	1,203	1,305
Asset Revaluation Reserve	10 (c)	1,876	1,876
Total Capital & Reserves		593,595	559,783
TOTAL CAPITAL & RESERVES & LIABILITIES		599,039	564,132

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2000

	NOTES	1999/00 \$'000	1998/99 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants, Donations – Operating		10,593	12,286
Interest		1,532	1,138
Fees & Charges		2,341	1,421
Sales – Commercial Operations		887	786
Other		4,259	4,307
Government Grants:			
Recurrent		56,165	37,066
Capital		27,470	97,923
Receipts		103,247	154,927
Payments			
Salaries & Associated Costs		(17,609)	(15,986)
Operating Expenses		(45,222)	(34,060)
Building Repairs & Maintenance		(560)	(579)
Cost of Goods for Resale		(488)	(144)
Payments		(64,776)	(51,335)
NET CASH USED IN OPERATING ACTIVITIES	14.2	38,471	103,592
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Equipment		0	43
Movement in long term investments		52	499
Receipts		52	542
Payments			
Great Hall		(2,625)	0
Purchase of Property, Plant & Equipment		(1,453)	(1,203)
Melbourne Museum Development		(32,654)	(83,171)
Immigration & Hellenic Antiquities Museums		0	(14,072)
Scienceworks Planetarium		(419)	(4,302)
Payments		(37,099)	(102,206)
NET CASH USED IN INVESTING ACTIVITIES		(37,099)	(102,206)
NET INCREASE/(DECREASE) IN CASH HELD		1,372	1,386
Cash Held at Beginning of Financial Year		24,207	22,821
CASH AT THE END OF THE FINANCIAL YEAR	14.1	25,579	24,207

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1. SIGNIFICANT ACCOUNTING POLICIES

(a) This general purpose financial report has been prepared in accordance with the requirements of the *Financial Management Act 1994*, pronouncements of the Urgent Issues Group and the Australian Accounting Standards. The financial statements have been prepared under the historical cost convention and have not been adjusted to take account of the current cost of specific assets or their impact on the operating result. The financial statements have been prepared on an accrual and going concern basis.

(b) Non-Current Assets

Property, Plant & Equipment

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

Collections

During the 1996/97 financial year the Museum completed a project to determine the value of its collections using a stratified valuation method. This project formed the basis for the valuation of all the Museum collections. The collections have been valued in accordance with the principles set out in the Australian Accounting Standard AAS 10- Accounting for the revaluation of non-current assets.

The collection was valued utilising the deprival method of valuation (ie the cost of replacing the services rendered to the business by the particular asset). The effect of this valuation is disclosed in note 11(a).

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

Library

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

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

The Museum intends revaluing its library every five years with any future acquisitions being valued at cost or valuation.

Depreciation

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

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

Buildings	20-100 years
Plant and equipment	3-10 years

Major spares purchased specifically for particular plant and equipment are capitalised and depreciated on the same basis as the plant and equipment to which they relate.

(c) Inventory

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

(d) Grants

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

(e) Capital Donations

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

(f) Employee Entitlements

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

Annual Leave

Annual leave entitlements for employees are based on current pay rates and on-costs as at 30 June, 2000.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the 30 June, 2000. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, experience of employee departures and period of service.

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

(g) Capitalisation Policy for Exhibition Development

Exhibitions with a life of two years or less are expensed immediately. Exhibitions with an anticipated life of over two years are capitalised and depreciated accordingly.

(h) Rounding

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

(i) Treatment of Capital Contribution

The treatment of capital contributions is based on the requirements of Statement of Accounting Concept SAC 4, which requires capital appropriations to be treated as revenue. Exceptions to this policy, approved by the Minister of Finance, have been made in the case of contributions for the new museum (Melbourne Museum) and the Royal Exhibition Buildings upgrade.

(j) Capital Charge

In accordance with Government policy, a departmental capital charge has been applied to distribute the centrally-funded annual cost of capital. The rate charged for the 1999/00 financial year was 8 per cent. This charge represents the interest which the Museum would have paid for the capital works portion of its grant. This charge has been recognised as revenue within the Government grant and disclosed separately as an expense within the financial statements.

(k) Superannuation

The Museum is required to recognise all superannuation payments as expenses in its operating statement. The Department of Treasury and Finance shall recognise the aggregate unfunded superannuation liability relating to employing entities in its financial statements of the 30 June, 2000 as the Victorian Government has assumed responsibility for this liability.

(l) Investments

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

Dividend income is recognised in the Operating Statement when receivable.

(m) Receivables and Revenue Recognition

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

Trade debtors are recognised at the amounts receivables as they are due for settlement no more than 30 days from the date of recognition. Collectibility of trade debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised where some doubt as to collection exists.

(n) Creditors and Accruals

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	1999/00 \$'000	1998/99 \$'000
2. INVESTMENTS		
Current Assets		
Negotiable Certificates of Deposit, Interest		
Bearing Deposits & other Money Market Securities	23,109	23,334
TOTAL	23,109	23,334
Non-Current Assets		
Semi Government Securities	30	82
TOTAL	30	82
<p>The Museums Board of Victoria, in addition to investments related to its Trust funds of \$750,000 is presently holding short-term investments of \$22.389 million primarily related to the Melbourne Museum, that will be spent by 30th June 2001.</p>		
3. GOVERNMENT GRANTS		
The Museums Board of Victoria received the following grants from the Victorian Government		
Recurrent Appropriation		
Applied to Operations	23,131	17,943
Capital Charge	30,813	17,779
Superannuation	784	778
Melbourne Museum	1,437	566
	56,165	37,066
Melbourne Museum Funding		
Applied to Contributed Capital	26,282	84,417
Royal Exhibition Building		
Applied to Contributed Capital	2,625	0
TOTAL	85,072	121,483

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	1999/00 \$'000	1998/99 \$'000
4. GRANTS		
Sources*		
State Grants from other Agencies	10,315	7,122
Commonwealth Grants	203	300
Other Grants	73	156
Accelerated Move **	126	4,707
	10,717	12,285
Immigration & Hellenic Antiquities Museums Funding		
Applied to Contributed Capital	0	14,072
TOTAL	10,717	26,357
<p>* The grants indicated above were of an operating nature. The figures shown indicate the grants as received. Expenditure in relation to the grants is accounted for at the time it is incurred.</p> <p>** Relocation of National Gallery to 328 Swanston Street accelerated move of Museum's collections out of the site.</p>		
5. OTHER INCOME		
Interest	1,521	1,191
Tribute Garden	173	136
Miscellaneous Income	1,588	1,785
TOTAL	3,282	3,112
6. ABNORMAL ITEMS		
<p>During the previous year the Australia Valuation Office revalued the Scienceworks Museum buildings using a depreciated replacement cost methodology. The valuation resulted in a revaluation decrement of \$5.303 million of which \$5.103 million was treated as an Abnormal loss and the balance going through asset revaluation reserve.</p>		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	1999/00 \$'000	1998/99 \$'000
7. SALARIES AND OPERATING EXPENDITURE		
Salaries and Associated Costs	17,903	15,665
Building and Equipment Maintenance	560	579
Administration		
Consumables	6,379	5,975
Miscellaneous	4,298	3,247
Consultants*	421	669
Audit Fees	43	102
Exhibitions		
Contractors & Display Costs	3,240	1,516
Research and Collections		
Collection Management	331	143
Accelerated Move	126	4,707
TOTAL	33,301	32,603
* Consultants engaged and paid over \$100 000 during the year are disclosed in the Report of Operation in the Annual Report.		
8. RECEIVABLES		
Debtors	635	892
Less Provision for Doubtful Debts	(20)	(20)
	615	872
Interest Receivable	96	107
TOTAL RECEIVABLES	711	979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	1999/00 \$'000	1998/99 \$'000
9. INVENTORIES		
Stock of Goods for Resale	349	280
Less Provision for Stock Obsolescence	(12)	(12)
TOTAL	337	268
10. EQUITY		
(a) Contributed Capital *		
Balance at beginning of year	520,279	422,356
Capital Receipts		
<i>Victorian Government</i>		
Melbourne Museum Development	24,845	83,851
<i>Immigration & Hellenic Antiquities Museums</i>		
Immigration & Hellenic Antiquities Museums	0	14,072
<i>Royal Exhibition Building</i>		
Royal Exhibition Building Upgrade	2,625	0
BALANCE AT END OF THE YEAR	547,749	520,279
(b) Retained Surplus		
Balance at beginning of year	19,970	21,551
Surplus/(Deficit) for the Year		
Museums Board of Victoria	6342	(1,517)
Transfer Between Reserves		
Transfer from/(to) Trust Funds	274	(1,142)
Transfer from Externally Funded Special Projects	102	1,078
BALANCE AT END OF THE YEAR	26,688	19,970

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	1999/00 \$'000	1998/99 \$'000
10 (c) Reserves		
Trust Funds**		
Balance at beginning of the year	16,353	15,211
Transfer Between Reserves		
Transfer (to)/from Accumulated Surplus	(274)	1,142
BALANCE AT END OF THE YEAR	16,079	16,353
Externally Funded Projects ***		
Balance at beginning of year	1,305	2,383
Transfer Between Reserves		
Transfer from (to) Accumulated Surplus	(102)	(1,078)
BALANCE AT END OF THE YEAR	1,203	1,305
Asset Revaluation Reserve		
Balance at beginning of year	1,876	2,076
<i>Less</i>		
Off-set against previous increment	0	200
BALANCE AT END OF THE YEAR	1,876	1,876

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

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

11 (a) COLLECTIONS		
At Valuation (1997 Independent Valuation)		
Indigenous Collections	71,190	71,190
History & Technology Collections	19,230	19,230
Natural Science Collections	120,730	120,730
Library	5,612	5,612
At Cost		
Other	1,068	1,068
Total Collections	217,830	217,830

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	1999/00 \$'000	1998/99 \$'000
11 (b) PROPERTY		
Property		
At Valuation		
Land	30,000	30,000
Buildings		
Museum – Abbotsford*	1,500	1,500
Museum Scienceworks†	16,843	16,424
Great Hall #	20,625	18,000
Immigration & Hellenic Antiquities Museum §	23,838	23,838
Moreland Store ~	7,560	7,560
IMAX ∞	14,446	14,446
	114,812	111,768
Less Accumulated Depreciation		
Museum – Abbotsford	225	150
Great Hall	765	585
Moreland Store	453	302
Scienceworks	413	0
Immigration & Hellenic Antiquities	1,198	0
IMAX	144	0
	3,198	1,037
Total Land and Building at Valuation	111,614	110,731
At Cost		
Buildings		
Melbourne Museum ^	236,399	203,745
Total Buildings at Cost	236,399	203,745
Total	348,013	314,476

* **Abbotsford Building**

A valuation was undertaken by the Valuer –General for the Museum in June 1997. The valuation stated that the land and building was valued at \$1.5 million.

† **Museum Scienceworks**

The Museum at Scienceworks has been constructed on the Spotswood pumping station land leased from Melbourne Water for 50 years from 20th March, 1989, for the nominal sum of \$1.00 per annum. During the year 1998-99 a valuation of the buildings was undertaken by the Australian Valuation Office.

Royal Exhibition Buildings and Land

A valuation was undertaken by the Valuer-General for the Museum of Victoria in April, 1996.

^ **Museum – Melbourne Museum**

The costs capitalised were in relation to the architectural plans, production, project team expenses and administration cost for the new Melbourne Museum.

§ **Immigration & Hellenic Antiquities Museums**

The Immigration & Hellenic Antiquities Museum was valued in June 1999 by the Australian Valuation Office.

~ **Moreland Store**

A valuation was completed on the above store by Slattery Australia in August 1997.

∞ **IMAX**

A quantity surveyor valuation was undertaken by Rider Hunt for the Museum in June 1999.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000**

	1999/00 \$'000	1998/99 \$'000
(c) PLANT & EQUIPMENT		
Furniture & Fittings and Equipment		
Furniture & Equipment	7,912	6,520
Less accumulated depreciation	(1,766)	(1,000)
	6,146	5,520
Exhibition Development		
Exhibition Development	1,917	1,917
Less accumulated depreciation	(1,591)	(1,295)
	326	622
TOTAL PROPERTY PLANT & EQUIPMENT	354,485	320,618
12. COMMITMENTS AND CONTINGENT LIABILITIES		
<i>As at 30 June an amount of \$4 million is being held in escrow by Mallesons Stephen Jaques for the payment of an outstanding legal dispute with Cinema Plus. On the finalisation of this dispute the balance of the funds will be recognised in the Museum's financial statements. Refer to Note 20 (b) for update.</i>		
The Museums Board has contracted for expenditure amounting to \$2.988 million as at 30 June, 2000 which had not been provided for in the accounts as it relates to outstanding works and services for the 2000/2001 year.		
Details are as follows:		
Museum of Victoria		
Capital Expenditure – Melbourne Museum	2,988	680
TOTAL	2,988	680

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000**

	1999/00 \$'000	1998/99 \$'000
13. PROVISION FOR EMPLOYEE ENTITLEMENTS		
(a) Current Liabilities		
Employee Entitlements		
Annual Leave	1,489	1,195
Long Service Leave	258	209
TOTAL	1,747	1,404
(b) Non-Current Liabilities		
Employee Entitlements		
Long Service Leave	2,321	1,884
TOTAL	2,321	1,884
Total (including on-costs) - Refer Note 1 (f)	4,068	3,288
14. NOTES TO THE CASH FLOW STATEMENT		
14.1 Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, the Museums Board of Victoria considers cash to include cash on hand and in banks and investments in money market instruments. Cash at the end of the reporting period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:		
Cash	2,470	873
Current Investments (Ref Note 2)	23,109	23,334
TOTAL	25,579	24,207
14.2 Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating/Surplus (Deficit)	6,342	(1,517)
Add (Less) Items Classified as Investing/Financing Activities		
Loss on Sale of Non-current Assets	30	0
Add (Less) Non Cash Items:		
Government Contributed Capital	27,470	97923
Depreciation & Amortisation	3,254	2,116
Provision for Employee Entitlements	780	250
Scienceworks Revaluation	0	5,103
Net Cash Used in Operating Activities before Change in Assets and Liabilities	37,876	103,875
Increase/(Decrease) in Creditors & Accruals	315	(172)
(Increase)/Decrease in Receivables	257	263
(Increase)/Decrease in Inventories	(69)	(173)
(Increase)/Decrease in Interest Receivable	11	(53)
(Increase)/Decrease in Prepayments	81	(148)
Net Cash Used in Operating Activities	38,471	103,592

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

15. RELATED PARTY TRANSACTIONS

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

The Minister for the Museums Board of Victoria is the Hon. Mary Delahunty MP (October 1999), who succeeded the Hon. Jeffrey Kennett MLA. The names of each person holding the position of Board member of the Museums Board of Victoria during the financial year are Professor David Penington AC, Mr Graham Cunningham, Mr Terry Garwood, Mr Peter Hiscock AM, Professor Geoffrey Opat, Mrs Sarah Myer, Mr Ian Sinclair, Ms Deanne Weir, Ms Tina McMeckan, Professor Jennifer Graves and Mr Bob Weis. The Chief Executive Officer of the Museum is Dr George MacDonald. There were no related party transactions by the Minister, the Chief Executive Officer and Board Members.

(b) There are no other related party transactions

(c) Transactions with other Government Controlled Entities

During the 1999/00 financial year, transactions were undertaken with other Victorian Government controlled entities. These transactions are summarised as follows:

	1999/00 \$'000	1998/99 \$'000	1999/00 \$'000	1998/99 \$'000
Intra *	Intra *	Inter **	Inter **	
Assets	0	0	0	0
Liabilities	0	0	0	0
Revenue	23,915	18,721	0	0
Expenses	0	0	1,087	1,103

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

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

16. RESPONSIBLE PERSONS REMUNERATION

(a) Responsible Persons

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

Responsible Minister – Hon. Mary Delahunty MLA (October 1999) who succeeded the Hon. Jeffrey Kennett MLA

Accountable Officer – Dr George MacDonald

Board Members – As disclosed in note 16 (a).

(b) Remuneration of Responsible Persons

Members of the Board act in an honorary capacity.

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

(c) Executives Officers Remuneration on an Annualised Basis

	1999/00	1998/99
The number of executives officers of the Museum and their relevant remuneration bands for the reporting period are as follows:		
\$80,000 - \$89,999	1	1
\$90,000 - \$99,999	2	2
\$100,000 - \$109,999	3	2
\$110,000 - \$119,999	1	0
\$180,000 - \$189,999	1	1

The total remuneration received or due and receivable from the Museum by Executive Officers of the Museum is:

	\$766,236	\$436,483
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

17. SUPERANNUATION

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

(a) State Superannuation Fund (Revised Scheme & New)

Employer contributions paid to the above Schemes were \$647,686 (1998/99 \$608,735).

Contributions Outstanding at 30 June 20000 were \$Nil. The contributions rate for the above Schemes is not available to the Museum.

(b) State Superannuation Fund (VicSuper Scheme)

Employer contributions paid to the above Scheme were \$591,903.37(1998/99 \$492,544). Contributions outstanding at 30 June 2000 were \$Nil. This represented a contribution rate of 7% of normal salary.

Employee contributions were \$Nil.

	1999/00 \$'000	1998/99 \$'000
18. LEASING COMMITMENTS		
Operating Lease Commitments		
Non-Cancellable Operating Leases contracted for but not capitalised in the accounts		
Payable:		
– not longer than 1 year	624	752
– longer than 1 year but not longer than 5 years	2,073	1,858
– longer than 5 years	0	0
TOTAL	2,697	2,610

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

19. FINANCIAL INSTRUMENTS

(a) Credit Risk Exposures

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

(b) Interest Rate Risk Exposure

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

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

2000	Notes	Fixed interest maturing in:					Total \$'000
		Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non – interest bearing \$'000	
Financial Assets							
Cash and deposits	2,14.1	2,527	-	-	-	-	2,527
Receivables	8	96	-	-	-	615	711
Investments	2	-	23,052	30	-	-	23,082
		2,623	23,052	30	-	615	26,320
Weighted average interest rate		5.27%	6.35%	7.1%	0%		
Financial Liabilities							
Trade and other creditors		-	-	-	-	1,376	1,376
		-	-	-	-	1,376	1,376
Weighted average interest rate		0%	0%	0%	0%		
Net Financial Assets (Liabilities)		2,623	23,052	30	0	(-761)	24,944

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1999	Notes	Floating Interest rate \$'000	Fixed interest maturing in:			Non – interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets							
Cash and deposits	2,14.1	2,527	-	-	-	-	2,527
Financial Assets							
Cash and deposits	2,14.1	2,208	-	-	-	-	2,208
Receivables	8	107	-	-	-	872	978
Investments	2	-	22,000	82	-	-	22,082
		2,315	22,000	82	-	872	25,268
Weighted average interest rate		5.30%	4.89%	7.29%	0%		
Financial Liabilities							
Trade and other creditors		-	-	-	-	1,061	1,061
		-	-	-	-	1,061	1,061
Weighted average interest rate		0%	0%	0%	0%		
Net Financial Assets (Liabilities)		2,315	22,082	82	-	(-189)	24,207
Reconciliation of Net Financial Assets to Net Assets							
Net financial assets as above						24,944	24,207
Non-financial assets as liabilities:							
Inventories						337	268
Property, plant & equipment						354,485	320,618
Collections						217,830	217,830
Provisions						(4,068)	(3,288)
Prepayments						67	148
Net Assets per Balance Sheet						593,595	559,783

19 (c) Net Fair Value of Financial Assets and Liabilities

On - balance sheet

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

The net fair value of other monetary financial assets is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets with similar risk profiles.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000**

20. EVENTS AFTER BALANCE DATE

(a) Cinema Plus operators of Melbourne Imax

On 29th May, 2000 Cinema Plus, which is contracted to operate the IMAX theatre, went into voluntary administration. At a creditors' meeting on the 10th July, 2000 the company was put into liquidation. IMAX (Australia) has taken over the theatre operations.

(b) Moneys held in Escrow.

On 10th July, the Museum Board of Victoria agreed to a settlement on an outstanding dispute over the cost of construction of the IMAX theatre (see Note 12). The settlement resulted in a payment of \$1,650,000 to Museum Victoria the balance of \$2 350 000, less any amount for taxes and charges, will be paid to Cinema Plus.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

	1999/00	1998/99	1997/98	1996/97
	\$'000	\$'000	\$'000	\$'000
Revenue/Expenditure				
Revenue	\$75,635	\$56,794	\$48,109	\$28,610
Expenditure	\$69,293	\$58,311	\$33,938	\$28,868
Surplus/(Deficit)	\$6,342	-\$1,517	\$14,171	-\$258
Balance Sheet				
Assets	\$599,039	\$564,132	\$467,848	\$345,630
Liabilities	\$5,444	\$4,349	\$4,271	\$3,540
Equity	\$593,595	\$559,783	\$463,577	\$342,090

The Museums Board of Victoria significant changes in its financial position throughout the year are as follows:

Melbourne Museum Project & Royal Exhibition Building

The Melbourne Museum project and Royal Exhibition Building received contributions from the Victorian Government of \$32,654 million and \$2,625 million respectively which have been brought to account through the balance sheet.

AUDITOR'S REPORT



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

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

Audit Scope

The accompanying financial report of the Museums Board of Victoria for the financial year ended 30 June 2000, comprising an operating statement, balance sheet, statement of cash flows and notes to the financial statements, has been audited. The Members of the Museums Board of Victoria are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Museums Board of Victoria as required by the *Audit Act 1994*.

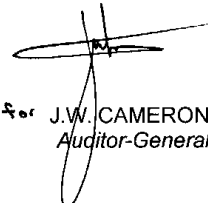
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in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

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

Audit Opinion

In my opinion, the financial report presents fairly the financial position of the Museums Board of Victoria as at 30 June 2000 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Financial Management Act 1994*.

MELBOURNE
30/8/2000


J.W. CAMERON
Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
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Auditing in the Public Interest

INDEX OF COMPLIANCE

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

INDEX TO DISCLOSURE REQUIREMENTS 1997/98

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

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<i>Management and structure</i>		
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FEES AND CHARGES

The following fees and charges applied as at 30 June 2000.

Immigration Museum and Hellenic Antiquities Museum

Adult	\$7.00
Child	\$3.50
Concession	\$5.50
Family	\$17.50

Special rates for group bookings

Scienceworks Museum and Melbourne Planetarium

Scienceworks Museum	
Adult	\$8.00
Child	\$4.00
Concession	\$6.00
Family*	\$20.00

Scienceworks Museum and Melbourne Planetarium

Adult	\$13.00
Child	\$7.00
Concession	\$10.00
Family*	\$34.00

Melbourne Planetarium Thursday (Adults only)

All tickets	\$10.00
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Special rates for group bookings

* admits 4, maximum 2 adults

GLOSSARY

ABC	Australian Broadcasting Corporation
ATSIC	Aboriginal and Torres Strait Islander Commission
CEO	Chief Executive Officer
CRC	Cooperative Research Centre
CSIRAC	Commonwealth Scientific and Industrial Research (Organisation) Automatic Computer.
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DNA	Deoxyribonucleic acid
EPA	Enterprise Partnership Agreement
ESL	English as a Second Language
GST	Goods and Services Tax
ICOM	International Council of Museums
IT	Information Technology
MLA	Member of the Legislative Assembly
MV	Museum Victoria
PC	Personal Computer
RASMAC	Regional and Specialist Museums Advisory Committee
REB	Royal Exhibition Building
RNA	Ribonucleic acid
VCE	Victorian Certificate of Education
VMIA	Victorian Management Insurance Authority

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The Herald and Weekly Times

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