

Financial Statements



INTRODUCTION TO MUSEUM VICTORIA FINANCIAL STATEMENTS FOR 2002/2003

Museum Victoria's report of operations and statement of accounts for 200/03 comply with the statutory disclosure and other requirements of the Financial Management Act 1994, and a full index of compliance is tabled on page 94.

While the success of Museum Victoria and the excellent performance results across the three museums are clearly evidenced, in the body of this report, our financial statements this year show a net deficit of \$12.1 million.

It is important to view this result in its appropriate context. The deficit is not a cash loss and is primarily the result of having to factor in the depreciation of Museum Victoria's buildings, exhibitions and equipment, in particular, the Melbourne Museum complex. This depreciation was expected and in no way impacts on the operating viability of this organisation.

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 2002/03 financial year and the financial position as at 30 June 2003 of the Museums Board of Victoria. At the date of this certificate the Board is not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate other than the items mentioned below.


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



Mr Harold Mitchell
PRESIDENT



Ms Tina McMeckan
BOARD MEMBER



Mr Joseph Corponi
CHIEF ACCOUNTING OFFICER

DATED
8 September 2003

Statement of Financial Performance

for the year ended 30 June 2003

	Notes	2002/03 \$'000	2001/02 \$'000
Revenue From Ordinary Activities			
Victorian Government Grants	2	66,886	62,697
Museum Operations			
Fees & Charges		9,679	9,695
Sales		2,752	2,275
Grants	3	2,911	1,646
Other Income	4	3,296	4,341
Donations		291	172
Rent		1,937	393
		87,752	81,219
Expenses From Ordinary Activities			
Employee Benefits	1(f)	22,456	21,119
Other Operating Expenses	5	24,262	25,671
Cost of Goods for Resale		957	866
Capital Charge	1(i)	32,337	26,682
Depreciation & Amortisation		19,905	19,497
		99,917	93,835
Net Result For The Year	12(b)	(12,165)	(12,616)
Net Increase in Asset Revaluation Reserve	12(c)	2,070	88,254
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner		(10,095)	75,638

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

Statement of Financial Position

for the year ended 30 June 2003

	Notes	2002/03 \$'000	2001/02 \$'000
Current Assets			
Cash Assets	6,14.1	6,851	1,809
Receivables	7	1,881	1,045
Inventories	8 & 1(c)	838	792
Total Current Assets		9,570	3,646
Non-Current Assets			
Property, Plant & Equipment & Exhibitions	9(b), (c) & (d)	424,063	442,231
Collections	9(a)	228,682	226,612
Total Non-Current Assets		652,745	668,843
Total Assets		662,315	672,489
Current Liabilities			
Payables	10	898	1,539
Provisions	11(a)	2,051	1,925
Total Current Liabilities		2,949	3,464
Non-Current Liabilities			
Provisions	11(b)	2,603	2,167
Total Non-Current Liabilities		2,603	2,167
Total Liabilities		5,552	5,631
Net Assets		656,763	666,858
Equity			
Contributed Capital	12(a)	585,864	585,864
Accumulated Loss/Gain	12(b)	(28,049)	(14,013)
<i>Reserves</i>			
Trust Funds	12(c)	2,917	2,998
Externally Funded Special Projects	12(c)	3,831	1,879
Asset Revaluation Reserve	12(c)	92,200	90,130
Total Equity		656,763	666,858

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

Statement of Cash Flows

for the year ended 30 June 2003

	Notes	2002/03 \$'000	2001/02 \$'000
Cash Flows from Operating Activities			
RECEIPTS FROM			
Grants & Donations		3,202	1,818
Interest		206	215
Fees & Charges		9,706	7,336
Sales – Commercial Operations		2,748	4,643
Other		4,072	5,954
Goods and Services Tax on Receipts		1,089	762
Goods and Services Tax recovered from the ATO		1,242	2,063
Government Grants:			
Recurrent		66,886	62,697
Total Receipts		89,151	85,488
PAYMENTS			
Salaries & Associated Costs		(21,835)	(21,384)
Operating Expenses		(55,863)	(50,512)
Building Repairs & Maintenance		(1,397)	(1,230)
Cost of Goods for Resale		(882)	(866)
Goods and Services Tax on Expenditure		(2,431)	(2,463)
Total Payments		(82,408)	(76,455)
Net Cash Inflow from Operating Activities	14.2	6,743	9,033
Cash Flows from Investing Activities			
RECEIPTS			
Movement in Other Financial Assets			
Sale of Plant & Equipment		45	4
Government Contributed Capital		0	1,596
PAYMENTS			
Great Hall		(514)	(125)
Purchase of Property, Plant & Equipment		(827)	(796)
Melbourne Museum Development		0	(10,007)
Exhibitions		(405)	0
Net Cash (Outflow) from Investing Activities		(1,701)	(9,328)
Net (Decrease)/ Increase in Cash Held			
		5,042	(295)
Cash Held at Beginning of Financial Year			
		1,809	2,104
Cash at the End of the Financial Year			
	14.1	6,851	1,809

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

Notes to the Financial Statements

for the year ended 30 June 2003

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

(b) Non-Current Assets

Museum Victoria has progressively valued all its assets under the provisions of Victorian Government Policy - Revaluation of Non-Current Physical Assets - June 2002. Since the policy was issued, Museum Victoria has completed revaluation of its land, buildings and its collections.

PROPERTY, PLANT & EQUIPMENT

Museum Victoria periodically values its property using the services of independent valuers.

Plant and equipment is valued at cost.

A net revaluation increment relating to a class of non-current assets is credited to an asset revaluation reserve except that, to the extent that the increment reverses a revaluation decrement previously recognised as an expense in respect of the same class of assets, it is recognised as revenue.

A net revaluation decrement relating to a class of non-current assets is recognised as an expense - except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of that same class of assets, the revaluation decrement is debited directly to the revaluation reserve.

COLLECTIONS

During the 2001-2002 financial year Museum Victoria arranged for the revaluation of its collections using a stratified valuation method. This project formed the basis for the valuation of all the Museum collections. The collections have been valued in accordance with the principles set out in the Australian Accounting Standard AASB 1041- Revaluation of Non-Current Assets.

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

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

LIBRARY

During the 2002-2003 financial year Museum Victoria arranged for the revaluation of its library collections. The valuation included an itemised valuation of individual items which exceeded a defined threshold value, an index taken from these items has been applied to the remaining rare books collection. The general collection has been revalued by reference to the acquisition records maintained by the Museum since the 1997 valuation. The collections have been valued using the fair method of valuation.

DEPRECIATION

Depreciation is charged on non-current assets, other than land, 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 or for the Library - rare books collection as they are heritage assets and are deemed to have an indefinite useful life.

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
Library – general collection	3-5 years
Exhibitions	3-5 years

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

(c) Inventory

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

(d) Receivables

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

Notes to the Financial Statements

for the year ended 30 June 2003

(e) 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.

Grants from Government and other sources are brought to account as revenue as and when received, with the exception of Government grants for the construction of the new Melbourne Museum and Immigration Museum building and fitout costs which have been treated as contributed capital in line with Note 1 (g). Expenditure from such grants is recognised when incurred.

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

(f) Employee Benefits

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

ANNUAL LEAVE

Annual leave entitlements for employees are measured at nominal value and are determined after taking into consideration estimated future increase in wages and salaries. Related on-costs are included.

LONG SERVICE LEAVE

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees to 30 June 2003. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, experience of employee departures and period of service.

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

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

(g) Rounding

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

(h) Treatment of Capital Contribution

Consistent with UIG Abstract 38 Contributions by Owners to Wholly-owned Public Sector Entities appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(i) 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 2002/03 financial year was 8 per cent. This charge represents the interest which Museum Victoria would have paid for the capital works portion of its grant. This charge has been recognised as revenue within the Government grant and disclosed separately as an expense within the financial statements.

(j) Other Financial Assets

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

(k) Payables

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

(l) Leased Assets

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

Museum Victoria had no financial lease obligations as at 30 June 2003.

(m) Events After Balance Date

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

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
2. VICTORIAN GOVERNMENT GRANTS		
The Museums Board of Victoria received the following grants from the Victorian Government		
Recurrent Appropriation		
Applied to Operations	34,549	36,015
Capital Charge	32,337	26,682
	66,886	62,697
Melbourne Museum Funding		
Applied to Contributed Capital	0	1,411
Royal Exhibition Building		
Applied to Contributed Capital	0	185
	0	1,596
Total	66,886	64,293
3. GRANTS		
Sources*		
State Grants from other Agencies	1,980	1,094
Commonwealth Grants	687	426
Other Grants	244	126
Total	2,911	1,646
4. OTHER INCOME		
Interest	222	184
Miscellaneous Income	3,074	4,157
Total	3,296	4,341

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
5. OTHER OPERATING EXPENDITURE		
Building and Equipment Maintenance	1,397	1,230
Administration		
Consumables	10,422	11,349
Miscellaneous*	4,678	6,645
Consultants**	96	226
Audit Fees ***		
- External	40	35
- Internal	67	47
Bad Debts	160	260
Exhibitions		
Contractors & Display Costs	6,978	5,617
Research and Collections		
Collection Management	244	262
Accelerated Move	180	0
Total	24,262	25,671

*The majority of the expenses in this category fall into two areas: Corporate Charges and Advertising.

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

*** Audit Fees payable to the Victorian Auditor-General's Office relating to the audit for the year ended 30 June 2003 were \$39,800 (\$35,000 2001/02).

6. CASH ASSETS

Cash Assets		
Cash	800	559
Negotiable Certificates of Deposit and Interest Bearing Deposits	6,051	1,250
Total	6,851	1,809

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
7. RECEIVABLES		
Debtors	1,977	974
Less Provision for Doubtful Debts	(180)	(20)
	1,797	954
Accrued Revenue	84	91
Total Receivables	1,881	1,045
8. INVENTORIES		
Stock of Goods for Resale	925	804
Less Provision for Stock Obsolescence	(87)	(12)
Total	838	792
9. NON CURRENT ASSETS		
9(a) COLLECTIONS		
At Valuation (1997 Independent Valuation)		
Library	-	5,612
At Valuation (2002 Independent Valuation)		
Indigenous Collections	77,100	77,100
History & Technology Collections	20,900	20,900
Natural Science Collections	123,000	123,000
At Valuation (2003 Independent Valuation)		
Library	7,682	-
Total Collections	228,682	226,612

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
9(b) PROPERTY		
Property		
At Valuation		
Land	97,090	97,090
Buildings		
Abbotsford Building (i)	4,000	4,000
Scienceworks Museum (i)	15,724	15,724
Royal Exhibition Building (i)	23,515	23,000
Immigration Museum (i)	15,014	15,014
Moreland Store (i)	5,500	5,500
IMAX (i)	16,400	16,400
Melbourne Museum (i)	183,200	183,200
	360,443	359,928
Less Accumulated Depreciation		
Abbotsford Building	(200)	0
Scienceworks Museum	(393)	0
Royal Exhibition Building	(230)	0
Immigration Museum	(300)	0
Moreland Store	(110)	0
IMAX	(164)	0
Melbourne Museum	(1,832)	0
	(3,229)	0
Total Land and Building at Valuation net of Accumulated Depreciation	357,214	359,928

(i) Abbotsford, Scienceworks, Royal Exhibition Building, Moreland, Immigration Museum, IMAX & Melbourne Museum
The Australian Valuation Office undertook a valuation of Museum Victoria's land and buildings at fair value in June 2002.

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
9(c) PLANT, EQUIPMENT & EXHIBITIONS		
Furniture & Fittings and Equipment		
Furniture & Equipment at cost	59,723	58,938
Less accumulated depreciation	(16,116)	(9,436)
	43,607	49,502
Exhibition Development		
Melbourne Museum at cost	44,875	44,875
Less accumulated depreciation	(23,024)	(14,049)
Scienceworks Museum at cost	1,359	955
Less accumulated depreciation	(899)	(844)
Immigration Museum at cost	4,663	4,663
Less accumulated depreciation	(3,732)	(2,799)
Total Exhibition Development	23,242	32,801
Total Property, Plant & Equipment, & Exhibitions	424,063	442,231

Notes to the Financial Statements

for the year ended 30 June 2003

	Crown Land \$'000	Free-hold Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Exhibitions \$'000	In course of construction \$'000	Total \$'000
9(d) PROPERTY, PLANT & EQUIPMENT RECONCILIATION							
2003							
Carrying amount at start of year	91,005	6,085	262,838	49,502	32,801	0	442,231
Additions	0	0	514	826	405	0	1,745
Disposal	0	0	0	(9)	0	0	(9)
Depreciation	0	0	(3,229)	(6,712)	(9,963)	0	(19,904)
Carrying amount at end of year	91,005	6,085	260,123	43,607	23,243	0	424,063
2002							
Carrying amount at start of year	30,000	6,085	283,842	8,677	42,764	0	371,368
Additions	0	0	10,131	797	0	0	10,928
Disposal	0	0	0	(40)	0	0	(40)
Revaluation	61,005	0	18,467	0	0	0	79,472
Transfer	0	0	(46,650)	46,650	0	0	0
Depreciation	0	0	(2,952)	(6,582)	(9,963)	0	(19,497)
Carrying amount at end of year	91,005	6,085	262,838	49,502	32,801	0	442,231

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
10. PAYABLES		
Trade Creditors	335	352
Other Creditors	450	1,133
Accrued Salaries	113	54
Total Payables	898	1,539
11. PROVISION FOR EMPLOYEE BENEFITS		
11(a) CURRENT LIABILITIES		
Employee Benefits		
Annual Leave	1,762	1,684
Long Service Leave	289	241
Total	2,051	1,925
11(b) NON-CURRENT LIABILITIES		
Employee Benefits		
Long Service Leave	2,603	2,167
Total	2,603	2,167
Total (including on-costs) – Refer Note 1(f)	4,654	4,092

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
12. EQUITY		
12(a) CONTRIBUTED CAPITAL*		
Balance at beginning of year	585,864	557,045
Transfer from Accumulated Surplus	0	27,223
Capital Receipts		
VICTORIAN GOVERNMENT		
Melbourne Museum Development	0	1,411
ROYAL EXHIBITION BUILDING		
Royal Exhibition Building Upgrade	0	185
Balance At End Of Year	585,864	585,864
12(b) ACCUMULATED SURPLUS		
Balance at beginning of year	(14,013)	27,223
Transfer to Contributed Capital	0	(27,223)
Deficit for the Year		
Museums Board of Victoria	(12,165)	(12,616)
Transfer Between Reserves		
Transfer from (to) Trust Funds	81	(1,037)
Transfer to Externally Funded Special Projects	(1,952)	(360)
Balance At End Of The Year	(28,049)	(14,013)

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$'000	2001/02 \$'000
12(c) RESERVES		
Trust Funds**		
Balance at beginning of the year	2,998	1,961
Transfer Between Reserves		
Transfer (to) from Accumulated Surplus	(81)	1,037
Balance At End Of The Year	2,917	2,998
Externally Funded Special Projects***		
Balance at beginning of year	1,879	1,519
Transfer between Reserves		
Transfer from Accumulated Surplus	1,952	360
Balance At End Of The Year	3,831	1,879
Asset Revaluation Reserve		
Balance at beginning of year	90,130	1,876
Add Increment	2,070	88,254
Balance At End Of The Year	92,200	90,130

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2003

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Building works have now been completed, however, additional costs may be charged to the Melbourne Museum project due to outstanding contractual disputes with the builder. At this time the quantity is undetermined.

The Melbourne Museum believes that there are no contingent assets.

14. NOTES TO THE CASH FLOW STATEMENT

14.1 RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, Museum Victoria considers cash to include cash on hand and in banks and investments in money market instruments. Cash at the end of the reporting period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:

	2002/03 \$'000	2001/02 \$'000
Cash	800	559
Other Financial Assets	6,051	1,250
Total (refer to Note 6)	6,851	1,809

14.2 RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT

Operating (Deficit)/Surplus	(12,165)	(12,616)
Add (Less) items classified as Investing/Financing activities		
(Profit) Loss on Sale of Non-current Assets	(36)	36
Add (Less) non cash items:		
Depreciation & Amortisation	19,905	19,497
Provisions	797	(319)
Net cash provided by operating activities before change in Assets and liabilities	8,501	6,598
Increase/(Decrease) in Creditors & Accruals	(641)	618
(Increase)/Decrease in Receivables	(1,003)	1,770
(Increase)/Decrease in Inventories	(121)	7
Decrease in Accrued Revenue	7	40
Net cash provided by operating activities	6,743	9,033

Notes to the Financial Statements

for the year ended 30 June 2003

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 Mary Delahunty MP. The names of each person holding the position of Board member of the Museums Board of Victoria during the financial year are Mr Harold Mitchell, Mr Peter McMullin, Ms Sheila O'Sullivan, Mr Terry Garwood, Mr Peter Hiscock AM, Dr Janet McCalman, Ms Tina McMeckan, Dr Gael Jennings, Professor Daine Alcorn, Mr Bob Weiss and Ms Susan Heron. The Chief Executive Officer of the Museum is Dr J Patrick Greene. There were no related party transactions by the Minister, the Chief Executive Officer and Board Members.

(b) There are no other related party transactions

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 – Minister for the Arts, Mary Delahunty MP

Accountable Officer – Dr J Patrick Greene

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

(b) Remuneration of Responsible Persons

Members of the Board act in an honorary capacity.

The remuneration of the Accountable Officer, who is not a Member of the Board, is reported below.

(c) Executives Officers Remuneration

The number of executives officers of the Museum and their relevant remuneration bands for the reporting period are as follows:

	2002/03	2001/02
\$100,000 - \$109,999	1	4
\$110,000 - \$119,999	3	2
\$120,000 - \$129,999	1	1
\$140,000 - \$149,999	1	0
The total remuneration received or due and receivable from the Museum by Executive Officers of the Museum is:	\$855,000	\$820,647

Notes to the Financial Statements

for the year ended 30 June 2003

17. SUPERANNUATION

Museum 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 \$614,385 (2001/02 \$593,201). Contributions outstanding at 30 June 2003 were \$Nil. The contributions rate for the above Schemes is not available to Museum Victoria.

(b) State Superannuation Fund (VicSuper Scheme)

Employer contributions paid to the above Scheme were \$1,175,334 (2001/02 \$1,034,457). Contributions outstanding at 30 June 2003 were \$Nil. This represented a contribution rate of 9% of normal salary. Employee contributions were \$Nil.

Museum Victoria is required to recognise all superannuation payments as expenses in its operating statement. The Department of Treasury and Finance shall recognise the aggregate unfunded superannuation liability relating to employing entities in its financial statements of 30 June 2003 as the Victorian Government has assumed responsibility for this liability.

	2002/03 \$'000	2001/02 \$'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	1,110	1,856
Longer than 1 year but not longer than 5 years	612	1,118
Total	1,722	2,974

Notes to the Financial Statements

for the year ended 30 June 2003

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.

Fixed interest maturing in:		Floating	1 year	Over 1	More than	Non-interest	Total
2003	Notes	Interest rate \$'000	or less \$'000	to 5 years \$'000	5 years \$'000	bearing \$'000	\$'000
Financial Assets							
Cash and deposits	6	800	0	0	0	0	800
Receivables	7	47	0	0	0	1,834	1,881
Investments	6	5,298	753	0	0	0	6,051
		6,145	753	0	0	1,834	8,732
Weighted average interest rate		4.54%	4.84%	0%	0%		
Financial liabilities							
Trade and other creditors		0	0	0	0	898	898
		0	0	0	0	898	898
Weighted average interest rate		0%	0%	0%	0%		
Net Financial Assets (Liabilities)		6,145	753	0	0	936	7,834

Notes to the Financial Statements

for the year ended 30 June 2003

Fixed interest maturing in:		Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
2002	Notes						
Financial Assets							
Cash and deposits	6	559	0	0	0	0	559
Receivables	7	31	0	0	0	1,014	1,045
Investments	6	0	1,250	0	0	0	1,250
		590	1,250	0	0	1,014	2,854
Weighted average interest rate		4.29%	4.86%	0%	0%		
Financial Liabilities							
Trade and other creditors		0	0	0	0	1,539	1,539
		0	0	0	0	1,539	1,539
Weighted average interest rate		0%	0%	0%	0%		
Net Financial Assets (Liabilities)		590	1,250	0	0	(525)	1,315

Reconciliation of Net Financial Assets to Net Assets

	2002/03 \$'000	2001/02 \$'000
Net Financial Assets as above	7,834	1,315
Non-Financial Assets and Liabilities:		
Inventories	838	792
Property, Plant & Equipment	424,063	442,231
Collections	228,682	226,612
Provisions	(4,654)	(4,092)
Net Assets per Statement of Financial Position	656,763	666,858

(c) Net Fair Value of Financial Assets and Liabilities

On-balance sheet

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

The net fair value of other monetary financial assets is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets with similar risk profiles. In the 2002-03 financial year Museum Victoria did not have any financial assets in this class.



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and 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 2003, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the 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, responsible Ministers and 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 Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Museums Board of Victoria's financial position, and its financial performance and cash flows.

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of the Museums Board of Victoria as at 30 June 2003 and its financial performance and cash flows for the year then ended.

MELBOURNE
22 September 2003



J.W. CAMERON
Auditor-General

Index of Compliance

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

Index to disclosure requirements 1997/98

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

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<i>Charter and purpose</i>		
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9.1.4	Objectives, functions, powers and duties	2-3, 10-15, 47
9.1.3 (i) (c)	The nature and range of services provided by the entity including the persons or section of the community served by the entity	2/3, 47
<i>Management and structure</i>		
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<i>Financial and other information</i>		
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Fees and Charges

CAMPUS FEES UNTIL 13 MAY 2003

The following campus fees and charges applied at Museum Victoria's public museum campuses from the 1 July 2002 until 13 May 2003.

	ADULT	CHILD	CONCESSION	FAMILY
Melbourne Museum	\$15.00	\$8.00	\$11.00	\$35.00
Melbourne Museum & Imax	\$22.00	\$14.50	\$19.00	\$59.00
Scienceworks Museum	\$9.90	\$4.80	\$7.00	\$27.00
Scienceworks Museum & Melbourne Planetarium	\$15.90	\$8.50	\$11.80	\$43.00
Immigration Museum	\$7.00	\$3.50	\$5.50	\$17.50

NOTES

- Melbourne Museum entry includes one free session of ICE Theatre per person. ICE only tickets are \$4.50 per person.
- Tours of the Royal Exhibition Building: adult \$5.00 or \$3.00 add-on to Melbourne Museum ticket, child \$1.00.
- Special fees apply for various ticket options such as combined ICE and IMAX Theatres, Melbourne Planetarium and school bookings, special activities and programs. Surcharges apply for some special touring exhibitions.

CAMPUS FEES FROM 14 MAY 2003

The following campus fees and charges applied at Museum Victoria's public museum campuses as at 30 June 2003.

	ADULT	CHILD	CONCESSION	FAMILY
Melbourne Museum	\$6.00	\$0.00	\$0.00	N/A
Melbourne Museum & Imax	N/A	N/A	N/A	N/A
Scienceworks Museum	\$6.00	\$0.00	\$0.00	N/A
Scienceworks Museum & Melbourne Planetarium	\$6.00	\$4.00	\$5.00	Planetarium Pass 2 Adults and 4 Children \$16.00
Immigration Museum	\$6.00	\$0.00	\$0.00	N/A

NOTES

- Melbourne Museum entry includes one free session of ICE Theatre per person. ICE only tickets are \$4.50 per person.
- Tours of the Royal Exhibition Building: adult \$5.00 or \$3.00 add-on to Melbourne Museum ticket, child \$1.00.
- Special fees apply for various ticket options such as combined ICE and IMAX Theatres, Melbourne Planetarium and school bookings, special activities and programs. Surcharges apply for some special touring exhibitions.

MEMBERSHIP FEES FOR MUSEUM VICTORIA MEMBERS

As at 30 June 2003

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

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

Website

www.museum.vic.gov.au

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Scienceworks Museum

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Immigration Museum

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David Loram
Michelle McFarlane
Mark Norman
Gary Poore
Rodney Start
Mark Stracham

FRONT COVER

Grandparents with their grandson in the front foyer at Melbourne Museum

BACK COVER

Scienceworks school holiday program