WESTERN AUSTRALIAN MUSEUM FOUNDATION

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Annual Report

2010-2011

WESTERN AUSTRALIAN MUSEUM FOUNDATION

The Western Australian Museum Foundation (the Foundation) is an independent, not-for-profit organisation established in 1995 to encourage investment in the Western Australian Museum. The Foundation supports the six metropolitan and regional museums and the Collections and Research Centre that comprise the Western Australian Museum to help it realise a range of exciting initiatives beyond the scope of normal government funding. The Foundation's operations are overseen by a Board of Governors.

WESTERN AUSTRALIAN MUSEUM FOUNDATION BOARD OF GOVERNORS

Ms Tracey Horton BEc (Hons), MBA, MAICD (Chairman)

The Hon Julie Bishop MP

Mr Alec Coles OBE, BSc(Hon), FLS, FRSA, AMA (ex-officio member)

The Hon Richard Court AC

Mr Geoff Duncan

Mr Michael Gangemi OAM JP

Mr Justin Mannolini BComm, LLB, F Fin

Mr James McClements BEc (Hons)

Mr Tim Ungar BEc, MAICD, FAIM

The Western Australian Museum Foundation

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CHAIRMAN'S REPORT

This year has been an exciting year for the Foundation — a year of collaboration and innovation that has paved the way for an era of renewal.



In March, we welcomed Jane Harris to the position of Director, Western Australian Museum Foundation. Jane returned to her home state from Melbourne to take up the role. She brings a wealth of experience in the not-for-profit sector working in leadership, strategic planning, marketing, corporate partnership development and philanthropy.

Throughout the year, the generosity of donors and corporate partners made a significant difference to the work of the Museum. The Foundation worked with a record number of 38 corporate partners who provided, jointly, the highest level of revenue received from sponsorship in any one year.

Most significantly, the Foundation was grateful to receive a substantial philanthropic gift from Nicola and Andrew Forrest. Their generosity has meant that the Foundation can look to the future with confidence. With this transformational gift, we hope to work with the Forrests to inspire more people to consider building a philanthropic legacy for the future of the Museum.

I thank the Board of Governors, and the staff of the Foundation, for their energy and professionalism. In the year ahead, I know we will see the activities of the Foundation growing in strength.

MS TRACEY HORTON

Chairman Western Australian Museum Foundation

DIRECTOR'S REPORT

The Foundation has an exciting future and I look forward to working with our donors and supporters to realise our shared aspirations ...



It is with pleasure that I write my first report as Director of the Western Australian Museum Foundation. It is an honour and a privilege to lead the Western Australian Museum Foundation; an organisation with an inspiring history and unlimited potential.

The Western Australian Museum is everyone's Museum, the community of WA created it. This is one of its greatest strengths and this is why donors from all walks of life give to the Museum through the range of philanthropic and partnership opportunities that the Foundation provides.

I have spent my first few months in the role meeting our wonderful supporters and developing a plan for the future. This has been a very rewarding experience. Thanks to their willingness to share their experience and knowledge, I have learnt very quickly about the enormous impact the WA Museum has on our community. I thank the staff of the Western Australian Museum for making me feel so welcome and I especially thank the Foundation Governors, Foundation staff, the Chair of the Foundation and the CEO of the Museum.

The Foundation has an exciting future and I look forward to working with our donors and supporters to realise our shared aspirations for the Western Australian Museum.

JANE HARRIS

Director Western Australian Museum Foundation

HIGHLIGHTS OF 2010-2011

PARTNERSHIPS

- Ten new corporate partners supported the Museum.
- Twelve corporate partners renewed their support of the Museum.
- Woodside Energy Ltd entered into a five-year partnership to undertake Kimberley Marine Biological Research.
- Woodside Energy Ltd sponsored the development and production of a Mangrove interactive game for the North West Shelf Visitors Centre and the Dampier Marine Gallery in Perth.
- Chevron renewed its sponsorship of the *In the Wild West* lecture series.
- North West Shelf Shipping Services Company agreed to naming rights for the theatre at the Maritime Museum for five years to June 2015.
- Singapore Airlines sponsored the AC/DC and Pompeii exhibitions and media competitions.
- Devil's Lair winery and Little Creatures Brewing renewed their sponsorship of exhibition launches.

PHILANTHROPY

- A substantial gift of Fortescue Metal Group shares was received from Andrew and Nicola Forrest.
- The Butler Bequest continued its support of field work.
- The Friends of the Western Australian Museum contributed \$10,000 to the introduction of the Digital Asset Management system.
- Moore Stephens continued their support of the Foundation.

EVENTS

- The Trustees and Foundation Governors hosted an event in August 2010 to introduce new CEO, Alec Coles OBE, to the business community of Perth.
- His Excellency, Dr Ken Michael AC, Governor of Western Australia (2010) hosted a cocktail party at Government House in November 2010 for Museum supporters, corporate partners and donors.
- The Foundation hosted the launch of the *In the Wild West* lecture series with Harry Butler as guest of honour in February 2011.
- The Foundation hosted a corporate event in Kalgoorlie in May 2011 to introduce Alec Coles OBE and Jane Harris to the Goldfields community.

OTHER

Appointment of new Director, Jane Harris.

SUPPORTERS AND PARTNERS

JOIN THE WESTERN AUSTRALIAN MUSEUM

There are three key areas in which the Western Australian Museum particularly welcomes support. They are: *acquisitions* to the Museum's extensive collections of geological samples, ancient fossils, wildlife, Indigenous culture and pioneering history; *research* in the fields of marine biology, terrestrial zoology, earth and planetary sciences, history and anthropology; and the development of *public programs* including exhibitions and educational activities.

We invite you to contact the Foundation Director, Jane Harris, for further information and to discuss the range of privileges available to our supporters. Telephone 08 9212 3759 or email jane.harris@museum.wa.gov.au

The Foundation gratefully acknowledges the following partners and supporters:

PATRON

Woodside Energy Limited

BENEFACTOR

Butler Bequest North West Shelf Shipping Service Company Pty Ltd

FOUNDER

720 ABC Perth Alcoa Foundation Alcoa of Australia Butler, Dr Harry Channel 7 Chevron Australia East Perth Redevelopment Authority GE Oil & Gas INPEX Kailis Bros Pty Ltd Kailis Consolidated Pty Ltd Kailis Fisheries Holdings Pty Ltd MG Kailis Group Singapore Airlines Society of Underwater Technology – Perth Society of Underwater Technology – UK The West Australian Water Corporation WMC - Sir Lindesay Clark Trust Fund

SUPPORTERS AND PARTNERS

DONOR

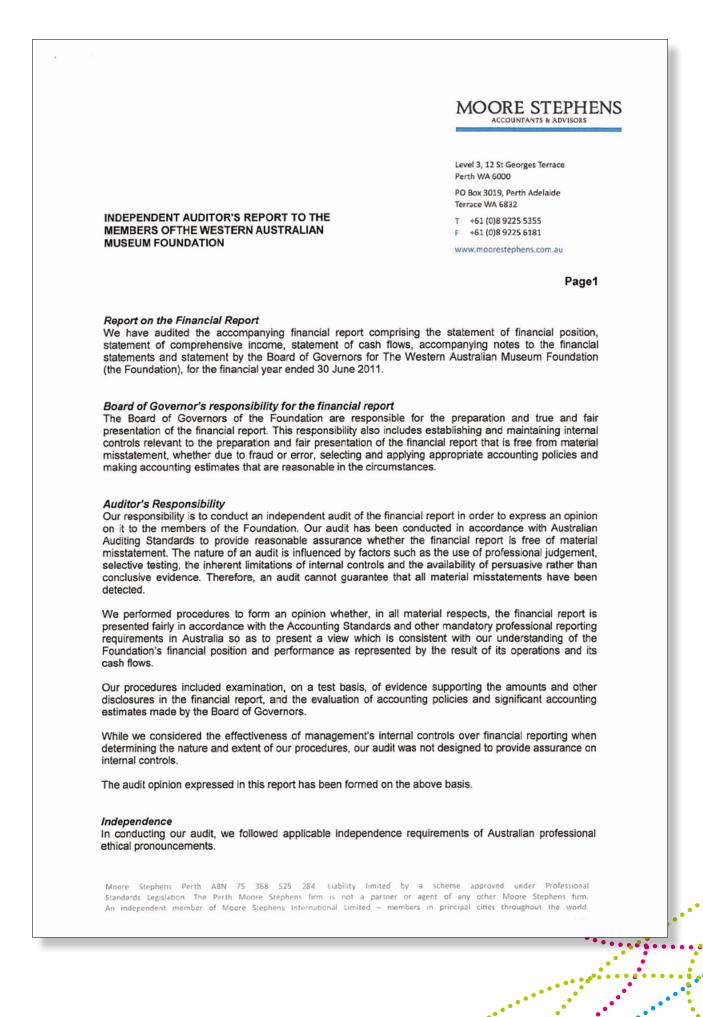
Devil's Lair, Treasury Wine Estate D'Orsogna Discus Print Friends of the Western Australian Museum Hawaiian Italo-Australian Welfare & Cultural Centre Inc JP Kenny Lotterywest Matrix Ungar, Mr Tim West Australian Regional Newspapers

MEMBER

All Seasons Hotel Apache Energy CTC Marine DOF Subsea Engineers Australia Fini Olives FMC Technologies Geomarine Globetrotter Corporate Travel Heyder & Shears Horton, Ms Tracey Italian Chamber of Commerce & Industry KPMG Kimberley Diamond Company

Little Creatures Brewing Mercure Hotel Moore Stephens Mosmans Restaurant Osborn, Mr Wayne Phelps, Mrs Rosalind (Ruth) Rio Tinto Rydges Kensington London Saracen Estate Skywest Airlines Unitech University of Western Australia Vaughan Mr David Vmoto Motorcycles

The Western Australian Museum Foundation would also like to thank the many additional supporters who assisted the Museum with their kind contributions of up to \$1,000.



MOORE STEPHENS CCOUNTANTS & ADVISORS Level 3, 12 St Georges Terrace Perth WA 6000 PO Box 3019, Perth Adelaide Terrace WA 6832 T +61 (0)8 9225 5355 F +61 (0)8 9225 6181 www.moorestephens.com.au Page 2 Audit Opinion In our opinion, the financial report presents a true and fair view, in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia, of the financial position of The Western Australian Museum Foundation as at 30 June 2011 and the results of its operations and cash flows for the year then ended. Mn/ lace Moore Stephens 16 hay of September NEIL PACE MOORE STEPHENS Partner **Chartered Accountants** DATED at PERTH this 2011 Moore Stephens Perth ABN 75 368 525 284. Liability limited by a scheme approved under Professional Standards Legislation. The Perth Moore Stephens firm is not a partner or agent of any other Moore Stephens firm. An independent member of Moore Stephens International Limited – members in principal cities throughout the world.

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Page 3 THE WESTERN AUSTRALIAN MUSEUM FOUNDATION STATEMENT BY THE BOARD OF GOVERNORS In the opinion of the The Western Australian Museum Foundation: the accompanying statement of comprehensive income is drawn up so as to give a true (i) and fair view of the result of the Foundation for the year ended 30 June 2011; the accompanying statement of financial position is drawn up so as to give a true and fair (ii) view of the state of affairs of the Foundation as at 30 June 2011 and; the Financial Statements have been prepared in accordance with applicable Accounting (iii) Standards. This statement is made in accordance with a resolution of the Foundation and is signed for and on behalf of the Foundation by: vace MR TIM UNGAR MS TRACEY HORTON CHAIRMAN CHAIRMAN WA MUSEUM BOARD OF TRUSTEES WA MUSEUM FOUNDATION 13th day of September 2011 Dated this Perth, Western Australia

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

1	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash at Bank Managed Investments (Market Value) Other Receivables Share Investment	3 5 6	253,244 2,972,093 - <u>-</u> 5,080,000	177,006 2,678,135 33,958
TOTAL CURRENT ASSETS		8,305,337	2,889,099
TOTAL ASSETS		8,305,337	2,889,099
CURRENT LIABILITIES			
Other Payables	6	2,371	-
TOTAL LIABILITIES		2,371	-
NET ASSETS		8,302,966	2,889,099
TRUST FUNDS Opening Retained Surplus Operating Surplus (Deficit) – Current Year Financial Assets Reserve Financial Assets Reserve - Shares	5	2,889,099 5,509,010 176,857 (272,000)	2,627,196 (94,683) 356,586
		8,302,966	2,889,099

To be read in conjunction with the attached notes.

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THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
INCOME Tied Sponsorships Dividends/Distributions Gain/(Loss) on Sale of Investments Admin Levy Interest Income General Donation Donation		1,026,836 121,101 (54,487) 45,010 49,589 1,769 <u>5,352,000</u>	489,396 98,848 (152,624) 20,765 17,194 9,100
TOTAL INCOME		6,541,818	482,679
EXPENDITURE			
Bank Fees Legal and Accounting Tied Sponsorship & General Donation E Maintenance Printing/Copying Superannuation Salaries & Allowances Investment Fees Recruitment Costs Sundries	xps	403 4,000 799,527 - 14,125 157,995 21,140 15,937 19,681	248 3,636 417,277 5,012 662 10,301 114,653 19,677 - 5,896
TOTAL EXPENDITURE		1,032,808	577,362
TOTAL OPERATING SURPLUS/(DEFI	CIT)	5,509,010	(94,683)
Other Comprehensive Income			
Revaluation of Investment Portfolio Revaluation of Shares		(179,729) (272,000)	662,806 -
TOTAL COMPREHENSIVE INCOME		5,057,281	568,123

To be read in conjunction with the attached notes.

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

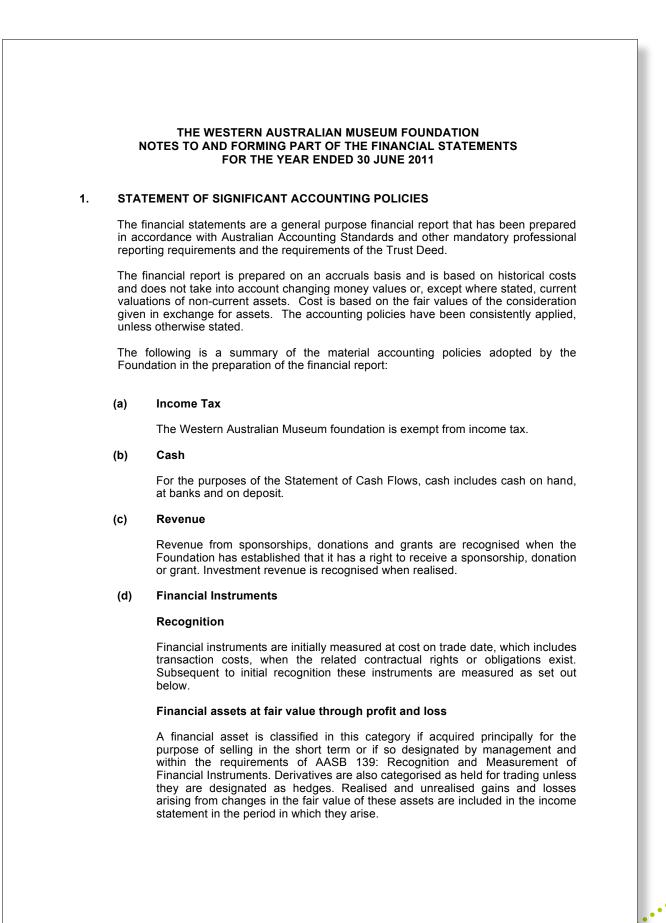
STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		\$	\$
Cash receipts in the course of operations Cash payments in the course of operations Interest Received Dividends/Distributions Received Gain/(Loss) on Sale Of Investment		1,073,614 (1,030,436) 49,589 121,101 (54,487)	519,261 (611,319) 17,194 98,848 (152,624)
Net Cash (Used in) / Provided by Operating Activitie	es 4	159,381	(128,640)
CASH FLOW FROM INVESTING ACTIVITIES			
Sale/(Purchase) of Investment		(83,143)	(163,887)
Net Cash (Used in) / Provided by Investing Activitie	S	(83,143)	(163,887)
CASHFLOW FROM FINANCING ACTIVITIES		<u> </u>	<u> </u>
NET INCREASE / (DECREASE) IN CASH HELD		76,238	(292,527)
CASH AT THE BEGINNING OF THE YEAR		177,006	469,533
CASH AT THE END OF THE FINANCIAL YEAR	3	253,244	177,006

To be read in conjunction with the attached notes.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Foundation assess whether there is objective evidence that a financial instrument has been impaired. In the case of available - for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

2. DATE OF ESTABLISHMENT

The Western Australian Museum Foundation was established on 22 September 1995.

3. RECONCILIATION OF CASH

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For the purposes of this statement of cashflows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts.

Cash at the end of the year is shown in the statement of financial position as:

	2011 \$	2010 \$
Cash at Bank Cash in hand	252,944 300	176,706 300
	253,244	177,006

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS:

	2011 \$	2010 \$
Operating Surplus / (Deficit) Add / (Less) non cash items:	5,509,010	(94,683)
Net Cash Provided by Operating Activities	5,509,010	(94,683)
(Increase)/Decrease in Other Receivables	-	(33,957)
Increase/(Decrease) in Other Payables	2,371	-
Non-Cash Donations	(5,352,000)	-
Net Cash Provided by / (Used in) Operating Activities	159,381	(128,640)

5. MANAGED INVESTMENTS

6.

Managed Investments comprise of a diversified portfolio managed by an independent fund manager. The holding is represented by investments in wholesale managed funds and direct cash.

Managed investments are classified as Available for Sale Financial Assets and recorded at fair value, with changes in market value of the investments recognised in the Balance Sheet under Financial Assets Reserve.

Managed Investments	2011 \$	2010 \$
At Market Value	2,972,093	2,678,135
	2,972,093	2,678,135
OTHER RECEIVABLES/PAYABLES		
GST (Payable)/Receivable	(2,371)	33,958
	(2,371)	33,958

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

7. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Foundation's financial instruments consist mainly of cash at bank, a portfolio of managed investments and Share Investment.

The Foundation does not have any derivative instruments at 30 June 2011 and does not speculate in any type of financial instrument.

Financial Risks

The activities of the Foundation expose it primarily to the financial risks, associated with its financial instruments, of interest rate risk, liquidity risk and credit risk. The Board of Governors are responsible for monitoring and managing the financial risk of the Foundation. They monitor these risks through quarterly board meetings where quarterly management and investment accounts are presented and analysed. Any changes indentified are communicated to the finance and administration team who implement the changes.

Interest Rate Risk

The Foundation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is limited only to its cash holdings with banks and term deposit held with JBWere.

The level of exposure to interest rate risk is not significant.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation has surplus cash reserves which enable sufficient cash to be available to settle obligations as they fall due. The Foundation Director manages liquidity risk by monitoring forecast cash flows on a regular basis and ensuring that adequate cash reserves are maintained.

All financial liabilities are expected to be paid out at their carrying amounts, within a period of less than 12 months.

Price Risk

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Market price risk arises from available for sale investments held by the Foundation in the form of a managed portfolio of investments and listed shares. The portfolio of investments is managed by an external portfolio manager. The investment value and returns are reported to the Investment Committee, comprised of members of the Foundation Board, on a regular basis. The Investment Committee monitors the effective return and goes back to the fund managers if any changes are required. Minutes of all



8. RELATED PARTY TRANSACTIONS

During the year there were no transactions with Board of Governor related entities and no remuneration was paid to any member of the Board of Governors.





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