



Western Australian Museum Foundation
Annual Report 2007 - 2008

Western Australian Museum Foundation Board of Governors



Image courtesy of Norm Bailey

The Western Australian Museum Foundation

The Foundation is an independent, not-for-profit agency established in 1995 to encourage investment in the Western Australian Museum. The Foundation supports the seven metropolitan and regional museums that comprise the Western Australian Museum in order to help realise a range of exciting initiatives beyond the scope of normal Government funding.

The governing body of the Foundation is the Board of Governors.

Board of Governors

† Sir Charles Court AK KCMG OBE CitWA (Patron, to December 2007)

Mr John Poynton AM CitWA BComm FAICD FAIM SF Fin (Chair)

Hon. Julie Bishop MP Deputy Leader of the Opposition

Dr Dawn Casey PSM FAHA (ex officio, to March 2008)

Hon. Richard Court AC

Mr Geoff Duncan

COMM Michael Gangemi OAM JP

Ms Tracey Horton MAICD BEc (Hons) MBA

Mr Tim Ungar BEc MAICD FAIM (and Trustees' representative)

Cover image: Beaked Coral Fish. Courtesy of Clay Bryce

Western Australian Museum Foundation Contents

WA MUSEUM FOUNDATION - CHAIRMAN'S REPORT <i>Mr John Poynton</i>	2
WA MUSEUM – CHAIR OF TRUSTEES' REPORT <i>Mr Tim Ungar</i>	4
FINANCIAL STATEMENTS	5
FOUNDATION PARTNERS	15

Western Australian Museum Foundation Chairman's Report



*John Poynton,
Chairman, WA Museum Foundation*

The past year has been one of change and new horizons for the Western Australian Museum and Foundation.

During this past year the Foundation farewelled our inaugural Patron, Sir Charles Court AK KCMG OBE CitWA whose vision, enthusiasm and drive was instrumental in the founding of the WA Museum Foundation in 1995. Sir Charles was an iconic West Australian who has left an enduring legacy to our State and to institutions such as the Museum which he tirelessly supported.

In February 2008 we warmly welcomed the announcement from the Carpenter State Government regarding the construction of a new \$500 million Museum. We have been working towards this exciting goal for many years and are looking forward to working with the new Barnett Government to bring the project to fruition to the benefit of all West Australians.

Throughout the development of the new Museum, the Foundation will continue to work towards securing corporate and community support for the existing Museum and its scientific and social programs.

The highlight of 2007 was the launch of the exhibition *Perpetual Green Scenes – The Charm of Zhejiang Celadon Feature Exhibition* and the *Seeking Dreams in Zhejiang Photographic Exhibition*. The exhibition coincided with the 20th anniversary celebrations of the sister – state relationship between Perth and Zhejiang province in China. The launch was officiated by The Hon Alan Carpenter MLA, Premier of Western Australia and His Excellency Mr Zhao Hongzhu, Secretary of Zhejiang Provincial Committee of the Communist Party of China. The event provided the perfect setting to both enhance the relationship between the sister states and also to promote the exquisite beauty of the Celadon pottery. I would like to thank the Foundation team on their successful delivery of this prestigious event.

The past year has seen many fascinating and educational exhibitions and events ranging from the stirring and emotive story of the *HMAS Sydney II* concentrating on the search for and finding of the HMAS Sydney off our Mid West coast. This exhibition was held at our regional Museum in Geraldton and attracted strong interest. The very well received family *Carnival Day* held at the Maritime Museum enhanced the *Between the Flags* exhibition highlighting the 100 year anniversary of Surf Life Saving in WA. The beautiful *Voyages of Grand Discovery* exhibition showcased the Museum's collective talent in producing an original, informative and visually arresting exhibition. The exhibition brought together original objects from numerous state and private collections never before seen in such a comprehensive display of early Dutch and French exploration to WA.

Western Australian Museum Foundation Chairman's Report

The past year has been challenging as the global economic downturn has impacted on both our corporate supporters and the investments from which we generate income. Through professional and proficient external advice, the Foundation has ensured that the negative impact on our portfolio has been minimised.

I would like to acknowledge the Foundation's partners and donors for their support and commend the Foundation staff for their efforts during the past year. The Foundation would like to express appreciation to chartered accountants and auditors Moore Stephens for their pro bono contribution of specialist services.

As this will be my last report as Chairman, I would also like to take this opportunity to acknowledge and thank my fellow Governors of the Board for their valued contribution and support over 2008 and past years. It has been a pleasure and a privilege to have worked with them and the Museum team.



John Poynton
Chairman, WA Museum Foundation

Western Australian Museum Chairman of Trustees



*Mr Tim Ungar,
Chair of Trustees, WA Museum*

The year 2007-2008 has been one of change and success for the Western Australian Museum.

In February 2008 we welcomed the state Government announcement of the building of a new \$500 million museum. This outcome is a testament to the efforts of the Museum Executive and Board of Trustees who have worked tirelessly towards achieving this result. We view this as a great opportunity to design and create a world class museum of international standing. The Board of Trustees and I will continue to extend our full support to the Museum to see this commitment become a reality.

I would like to acknowledge the leadership and drive of our CEO Dr Dawn Casey, in attaining the commitment of the new museum from Government. Dr Casey unfortunately resigned in March 2008 to take up a new position at the Powerhouse Museum in Sydney, and we wish her well.

The past year has included many changes and challenges to the WA Museum and staff. I would like to recognise the commitment of the Acting CEO Diana Jones. In challenging times, Ms Jones has marshalled the knowledge, expertise, professionalism and dedication of the talented staff of the Museum. Together they have delivered an outstanding year of service in a difficult and uncertain time.

It has been my great pleasure to work alongside my colleagues on the Museum's Board of Trustees and the Foundation's Board of Governors, to further the aims of the Museum.

On behalf of the Board of Trustees I would like to acknowledge the support of the Western Australian Museum Foundation. The Foundation's ongoing assistance enables the Museum to provide programs and activities beyond the limits of our core Government funding. With many new challenges ahead for Museum, I look forward to consolidating and strengthening the rapport between the Museum and Foundation.

A handwritten signature in black ink that reads "Tim Ungar". The signature is written in a cursive, flowing style.

Mr Tim Ungar
Chair of Trustees, WA Museum

Western Australian Museum Foundation Financial Statements

For the year ended to June 2008

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

Partners
Syd Jenkins
Neil Pace
Ray Simpson
Suan-Lee Tan
Ennio Tavani
Dino Travaglini

Report on the Financial Report

We have audited the accompanying financial report comprising the balance sheet, income statement, statement of cash flows, accompanying notes to the financial statements and statement by the Board of Governors for The Western Australian Museum Foundation (the Foundation), for the financial year ended 30 June 2008.

Board of Governor's responsibility for the financial report

The Board of Governors of the Foundation are responsible for the preparation and true and fair presentation of the financial report. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to conduct an independent audit of the financial report in order to express an opinion on it to the members of the Foundation. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Foundation's financial position and performance as represented by the result of its operations and its cash flows.

Our procedures included 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 made by the Board of Governors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

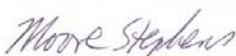
The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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 2008 and the results of its operations and cash flows for the year then ended.



MOORE STEPHENS
Chartered Accountants



NEIL PACE
Partner

DATED at PERTH this

17th

day of

September

2008

Moore Stephens ABN 75 368 525 284
Level 3, 12 St Georges Terrace, Perth, Western Australia, 6000

A member of the Moore Stephens International Limited Group of Independent Firms

Liability limited by a scheme approved under Professional Standards Legislation

Western Australian Museum Foundation Financial Statements


THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

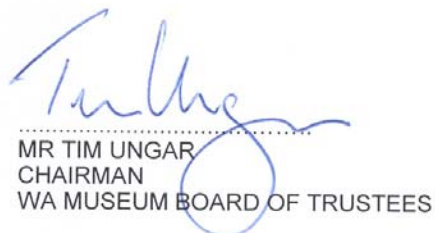
STATEMENT BY THE BOARD OF GOVERNORS

In the opinion of the The Western Australian Museum Foundation:

- (i) the accompanying income statement is drawn up so as to give a true and fair view of the result of the Foundation for the year ended 30 June 2008;
- (ii) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 30 June 2008 and;
- (iii) the Financial Statements have been prepared in accordance with applicable Accounting Standards.

This statement is made in accordance with a resolution of the Foundation and is signed for and on behalf of the Foundation by:


MR JOHN POYNTON
CHAIRMAN
WA MUSEUM FOUNDATION


MR TIM UNGAR
CHAIRMAN
WA MUSEUM BOARD OF TRUSTEES

Dated this 8th day of September 2008
Perth, Western Australia

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

BALANCE SHEET AS AT 30 JUNE 2008

	NOTE	2008	2007
		\$	\$
CURRENT ASSETS			
Cash at Bank	3	292,600	256,700
Managed Investments (Market Value)	5	2,507,200	-
Managed Investments (at Cost)	5	-	3,141,504
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		2,799,800	3,398,204
		<hr/>	<hr/>
TOTAL ASSETS		2,799,800	3,398,204
		<hr/>	<hr/>
CURRENT LIABILITIES			
Other Payables/(Receivables)	6	259	37,267
		<hr/>	<hr/>
TOTAL LIABILITIES		259	37,267
		<hr/>	<hr/>
NET ASSETS		2,799,541	3,360,937
		<hr/>	<hr/>
TRUST FUNDS			
Opening Retained Surplus		3,360,937	3,401,543
Operating Surplus (Deficit) – Current Year		(23,348)	(40,606)
Financial Assets Reserve	5	(538,048)	-
		<hr/>	<hr/>
		2,799,541	3,360,937
		<hr/>	<hr/>

To be read in conjunction with the notes pages 10 – 14

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008	2007
		\$	\$
INCOME			
Donations		206,838	520,531
Dividends/Distributions		274,223	127,096
Gain/(Loss) on Sale of Investments		(1,942)	180,820
Admin Levy		14,862	24,515
Interest Income		16,779	76,327
		<hr/>	<hr/>
TOTAL INCOME		510,760	929,289
		<hr/>	<hr/>
EXPENDITURE			
Bank Fees		381	508
Legal and Accounting		2,545	2,909
Tied Donation Expenses		246,278	573,755
Maintenance		4,658	4,676
Printing/Copying		9,083	14,195
Superannuation		17,141	26,684
Salaries & Allowances		216,302	315,235
Investment Fees		27,575	22,809
Staff Amenities		5,791	4,825
Sundries		4,354	4,299
		<hr/>	<hr/>
TOTAL EXPENDITURE		534,108	969,895
		<hr/>	<hr/>
TOTAL OPERATING SURPLUS/(DEFICIT)		(23,348)	(40,606)
		<hr/>	<hr/>

To be read in conjunction with the notes pages 10 - 14

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CASHFLOW FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		206,838	520,531
Cash payments in the course of operations		(571,117)	(921,978)
Interest Received		16,779	76,327
Dividends/Distributions Received		289,085	151,611
Gain/(Loss) on Sale Of Investment		(1,942)	180,820
		<hr/>	<hr/>
Net Cash (Used in) / Provided by Operating Activities	4	(60,357)	7,311
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Sale/(Purchase) of Investment		96,257	(1,633,886)
		<hr/>	<hr/>
Net Cash (Used in) / Provided by Investing Activities		96,257	(1,633,886)
		<hr/>	<hr/>
CASHFLOW FROM FINANCING ACTIVITIES			
		-	-
		<hr/>	<hr/>
NET INCREASE / (DECREASE) IN CASH HELD		35,900	(1,626,575)
CASH AT THE BEGINNING OF THE YEAR		256,700	1,883,275
		<hr/>	<hr/>
CASH AT THE END OF THE FINANCIAL YEAR	3	292,600	256,700
		<hr/> <hr/>	<hr/> <hr/>

To be read in conjunction with the notes pages 10 - 14.

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the requirements of the Trust Deed.

The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report:

(a) Income Tax

The Western Australian Museum foundation is exempt from income tax.

(b) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(c) Revenue

Revenue from donations and grants are recognised when the Foundation has established that it has a right to receive a donation or grant. Investment revenue is recognised when realised.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Western Australian Museum Foundation

Financial Statements

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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.

Western Australian Museum Foundation Financial Statements

3. RECONCILIATION OF CASH

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:

	2008	2007
	\$	\$
Cash at Bank	292,300	256,400
Cash in hand	300	300
	<hr/>	<hr/>
	292,600	256,700
	<hr/> <hr/>	<hr/> <hr/>

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

	2008	2007
	\$	\$
Operating Surplus / (Deficit)	(23,348)	(40,606)
Add / (Less) non cash items:	-	-
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	(23,348)	(40,606)
Increase/(Decrease) in Creditors	(37,009)	47,917
	<hr/>	<hr/>
Net Cash Provided by / (Used in) Operating Activities	(60,357)	7,311
	<hr/> <hr/>	<hr/> <hr/>

5. MANAGED INVESTMENTS

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.

The Foundation has changed its accounting policy for the financial year ending 30 June 2008 relating to the recording of managed investments. Managed investments were previously recorded at cost and changes in market value of the investments were not brought to account at balance date.

Managed investments are now 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.

Western Australian Museum Foundation Financial Statements

Managed Investments	2008 \$	2007 \$
At Market Value	2,507,200	N/A
At Cost	3,040,762	3,141,504

6. OTHER PAYABLES

GST Payable/(receivable)	259	(1,283)
Payroll Payable	-	38,550
	259	37,267

7. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

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

The Foundation does not have any derivative instruments at 30 June 2008 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 bi-monthly board meetings where bi-monthly management and investment accounts are presented and analysed. Any changes identified are communicated to the finance and administration team who implement the changes.

Western Australian Museum Foundation

Financial Statements

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.

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

Market price risk arises from available for sale investments held by the Foundation in the form of a managed portfolio of investments. 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 Investment Committee meetings are provided to the Board of Governors at the bi-monthly board meetings.

To demonstrate the Foundation's sensitivity in changes to market prices a movement in the value of the managed portfolio of investments of plus or minus 10% at the reporting date would have increased/decreased net surplus by \$250,000.

(b) Net Fair Values

Aggregate net fair values of financial assets and financial liabilities at balance date approximate their carrying values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

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.

Western Australian Museum Foundation Foundation Partners



Join the Western Australian Museum

There are three key areas in which the 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 Acting Foundation Director, Karen Bassett, for further information and to discuss the range of privileges available to our supporters. Telephone 08 9427 2766 or email karen.bassett@museum.wa.gov.au.

Foundation partners

The Western Australian Museum Foundation gratefully acknowledges the following partners and supporters:

Patron

Kailis Australian Pearls
Royal Australian Navy
Woodside Energy Limited

Benefactor

Argyle Diamonds
Australia II Jubilee Challenge 2001 Inc.
North West Shelf Shipping Service
Company Pty Ltd
Rio Tinto WA Future Fund
The West Australian

Founder

Alcoa Foundation
Alcoa of Australia
Foster's Group
Fremantle Ports
Kailis Bros Pty Ltd
Kailis Consolidated Pty Ltd
Kailis and France Holdings Pty Ltd
Lionel Samson & Son Pty Ltd
MG Kailis Group
Sadleirs Transport
Sealanes Pty Ltd
Western Australian Fishing Industry
Council
Water Corporation
WMC - Sir Lindesay Clark Trust Fund

Donor

720 ABC Perth
Australian Capital Equity
Jock Clough Foundation
MacLeod, Dr Ian
Phelps, Mrs Ruth Rowell
Telstra Country Wide
Total E&P
Ungar Mr Tim

Western Australian Cricket Association
West Australian Regional Newspapers
WIN Television WA Pty Ltd
Woodside Valley Foundation

Member

1st Fleet
Faye, Mrs Bridget
Horton, Ms Tracey
Kalgoorlie Consolidated Gold Mines Pty Ltd
Moore Stephens
Skywest Airlines
Woodside Valley Estate

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.



The Western Australian Museum Foundation
Perth Cultural Centre, James Street
Perth, Western Australia, 6000

Postal Address
The Western Australian Museum Foundation
Locked Bag 49
Welshpool DC WA 6986

Tel: +61 8 9427 2766 Fax: +61 8 9427 2827
Email: foundation@museum.wa.gov.au
Web: www.museum.wa.gov.au

For further information contact
The Director
Western Australian Museum Foundation
Locked Bag 49
Welshpool DC WA 6986