



Western Australian Museum Foundation
Annual Report 2008-2009

Western Australian Museum Foundation

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 Foundation is governed by the Board of Governors.

Board of Governors

Mr John Poynton AM CitWA BComm FAICD FAIM SF Fin (Chair until Nov 2008)

Prof. Tracey Horton MAICD BEc (Hons) MBA (Chair from Dec 2008)

Hon. Julie Bishop MP Deputy Leader of the Opposition

Hon. Richard Court AC

Mr Geoff Duncan

COMM Michael Gangemi OAM JP

Ms Diana Jones (ex officio, from April 2008)

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

Cover Image: A researcher examines coralline algae at Adele Island during offshore Kimberley fieldwork. Photo courtesy of Clay Bryce

Western Australian Museum Foundation

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Western Australian Museum Foundation Chairman's Report



*Prof Tracey Horton,
Chairman, WA Museum Foundation*

The past year has been one of consolidation for the Western Australian Museum and Foundation as we continue to plan for the new Museum.

This is my first year as Chairman of the Western Australian Museum Foundation and I would like to acknowledge the drive and determination of the outgoing Chairman, Mr John Poynton. Mr Poynton has been instrumental in shaping and directing the WA Museum Foundation since 1997.

In 2008 we welcomed the announcement from the former State Government that Western Australia could look forward to the construction of a new \$500 million Museum and we continue to work toward this exciting goal with the new Government.

As the lead up to this major project progresses, the Foundation has continued to work towards securing corporate and community support for the existing Museum and its scientific and social programs.

In 2008-09 the global economic downturn created a challenging environment for our corporate supporters and our investments. However, the Foundation has successfully partnered with 10 new sponsors supporting a number of Museum's projects and exhibitions.

These include the new partnership with Woodside Energy in support of the Off Shore Kimberley Marine Research project and the Alcoa Foundation's support in assisting to raise public awareness of sustainability and biodiversity issues through the Alcoa Frog Watch Program. With the support of the Woodside Valley Foundation, Australian Capital Equity and Total E & P *Journeys of Enlightenment* opened at the Maritime Museum in October 2008 for a year. *Journeys* was a stunning sequel to the informative and arresting *Voyages of Grand Discovery* exhibition of 2007/08.

On behalf of the Foundation I would like to thank our partners and donors for their support and acknowledge the assistance of chartered accountants and auditors Moore Stephens for their pro bono contribution of specialist services. I would also like to commend the Foundation Board of Governors and staff for their hard work and commitment during the past year.

A handwritten signature in black ink that reads "Tracey Horton" with a stylized flourish at the end.

Professor Tracey Horton
Chairman, WA Museum Foundation

Western Australian Museum Chairman of Trustees



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

The Western Australian Museum has worked hard throughout 2008-2009 to reinforce and strengthen the organisation's core values and emphasize our many assets.

In February 2008 the Museum welcomed the former State Government announcement to build a new \$500 million museum and have since opened dialogue with the current Government in what we hope will result in a positive outcome. The Museum and the Board of Trustees are keen to progress the rare opportunity to create a world class museum of international standing and we will continue to extend our full support to the Museum to achieve this goal.

I would like to recognise the commitment and achievements of the Acting CEO Diana Jones in her role and her work in pulling together the diverse skills and talents of the Museum's dedicated staff. In a difficult economy, they have again delivered an outstanding year of service.

Among the year's outstanding achievements were the discovery of two new species of frogs with the assistance of the Alcoa Frog Watch program, the successful *Nick Cave – The Exhibition* at the Perth site and the *Journeys of Enlightenment* exhibition at the Maritime Museum. We were delighted with the broad audience the contemporary Nick Cave exhibition attracted; a departure from the Museum's proven audience of families.

It has also 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 and success of the Western Australian Museum Foundation which despite the challenging economic times has successfully formed a number of new corporate partnerships which will greatly assist the Museum to provide programs and activities beyond the limits of our core Government funding. I look forward to tackling the many new challenges that lie ahead with the support of a strong 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

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

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 2009.

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 2009 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

9th day of September

2009

Moore Stephens ABN 75 368 525 284
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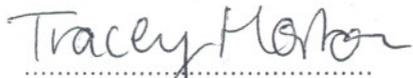
THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

STATEMENT BY THE BOARD OF GOVERNORS

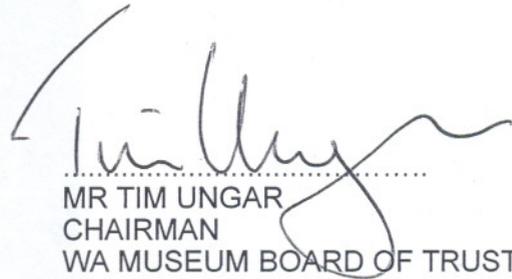
In the opinion of the The Western Australian Museum Foundation:

- (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 2009;
- (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 2009 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:



PROF TRACEY HORTON
CHAIRMAN
WA MUSEUM FOUNDATION



MR TIM UNGAR
CHAIRMAN
WA MUSEUM BOARD OF TRUSTEES

Dated this 31 day of August 2009
Perth, Western Australia

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

BALANCE SHEET AS AT 30 JUNE 2009

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash at Bank	3	469,533	292,600
Managed Investments (Market Value)	5	2,140,498	2,507,200
Other Receivables	6	17,165	-
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		2,627,196	2,799,800
		<hr/> <hr/>	<hr/> <hr/>
TOTAL ASSETS		2,627,196	2,799,800
		<hr/> <hr/>	<hr/> <hr/>
CURRENT LIABILITIES			
Other Payables	6	-259	
		<hr/>	<hr/>
TOTAL LIABILITIES		-	259
		<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		2,627,196	2,799,541
		<hr/> <hr/>	<hr/> <hr/>
TRUST FUNDS			
Opening Retained Surplus		2,799,541	3,360,937
Operating Surplus (Deficit) – Current Year		133,877	(23,348)
Financial Assets Reserve	5	(306,222)	(538,048)
		<hr/>	<hr/>
		2,627,196	2,799,541
		<hr/> <hr/>	<hr/> <hr/>

To be read in conjunction with the attached notes.

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 \$	2008 \$
INCOME			
Donations		567,938	206,838
Dividends/Distributions		197,698	274,223
Gain/(Loss) on Sale of Investments		(246,281)	(1,942)
Admin Levy		17,037	14,862
Interest Income		16,878	16,779
		<hr/>	<hr/>
TOTAL INCOME		553,270	510,760
		<hr/> <hr/>	<hr/> <hr/>
EXPENDITURE			
Bank Fees		316	381
Legal and Accounting		3,455	2,545
Tied Donation Expenses		239,211	246,278
Maintenance		5,031	4,658
Printing/Copying		894	9,083
Superannuation		10,142	17,141
Salaries & Allowances		134,415	216,302
Investment Fees		17,078	27,575
Staff Amenities		4,506	5,791
Sundries		4,345	4,354
		<hr/>	<hr/>
TOTAL EXPENDITURE		419,393	534,108
		<hr/> <hr/>	<hr/> <hr/>
TOTAL OPERATING SURPLUS/(DEFICIT)		133,877	(23,348)
		<hr/> <hr/>	<hr/> <hr/>

To be read in conjunction with the attached notes.

Western Australian Museum Foundation Financial Statements

THE WESTERN AUSTRALIAN MUSEUM FOUNDATION
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009	2008
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		567,939	206,838
Cash payments in the course of operations		(436,817)	(571,117)
Interest Received		16,878	16,779
Dividends/Distributions Received		214,735	289,085
Gain/(Loss) on Sale Of Investment		(246,281)	(1,942)
		<hr/>	<hr/>
Net Cash (Used in) / Provided by Operating Activities	4	116,454	(60,357)
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Sale/(Purchase) of Investment		60,179	96,257
		<hr/>	<hr/>
Net Cash (Used in) / Provided by Investing Activities		60,179	96,257
		<hr/>	<hr/>
CASHFLOW FROM FINANCING ACTIVITIES			
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
NET INCREASE / (DECREASE) IN CASH HELD		176,633	35,900
CASH AT THE BEGINNING OF THE YEAR		292,600	256,700
		<hr/>	<hr/>
CASH AT THE END OF THE FINANCIAL YEAR	3	469,233	292,600
		<hr/> <hr/>	<hr/> <hr/>

To be read in conjunction with the attached notes.

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 2009

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.

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.

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 2009

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

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:

	2009 \$	2008 \$
Cash at Bank	469,233	292,300
Cash in hand	300	300
	<hr/>	<hr/>
	469,533	292,600
	<hr/> <hr/>	<hr/> <hr/>

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 2009

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

	2009	2008
	\$	\$
Operating Surplus / (Deficit)	133,878	(23,348)
Add / (Less) non cash items:	-	-
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	133,878	(23,348)
(Increase)/Decrease in Other Receivables	(17,165)	-
Increase/(Decrease) in Creditors	(259)	(37,009)
	<hr/>	<hr/>
Net Cash Provided by / (Used in) Operating Activities	<u>116,454</u>	<u>(60,357)</u>

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.

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	2009	2008
	\$	\$
At Market Value	2,140,498	2,507,200
	<hr/>	<hr/>
	<u>2,140,498</u>	<u>2,507,200</u>

6. OTHER RECEIVABLES/PAYABLES

GST (Payable)/Receivable	17,165	(259)
	<hr/>	<hr/>
	<u>17,165</u>	<u>(259)</u>

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 2009

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 2009 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.

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 \$214,000.

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 2009

7. FINANCIAL INSTRUMENTS continued

(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 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 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

Woodside Energy Limited

Benefactor

Australia II Jubilee Challenge 2001 Inc.
North West Shelf Shipping Service
Company Pty Ltd

Founder

Alcoa Foundation
Alcoa of Australia
Kailis Bros Pty Ltd
Kailis Consolidated Pty Ltd
Kailis and France Holdings Pty Ltd
MG Kailis Group
Western Australian Fishing Industry
Council
Water Corporation
WMC - Sir Lindesay Clark Trust Fund

Donor

720 ABC Perth
Australian Capital Equity
Total E&P
Ungar Mr Tim
Western Australian Cricket Association

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

Member

French Rendezvous
Horton, Ms Tracey
Moore Stephens
Osborn Mr Wayne

Skywest Airlines
Were Estate

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.

Western Australian Museum Foundation



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