

**AUSTRALIAN MUSEUMS AND GALLERIES  
ASSOCIATION INCORPORATED**

**ABN 83 048 139 955**

**FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2022**

## COUNCIL REPORT

Your Council present this report on the Association for the six month period ended 30 June 2022.

### Council Members

The names of the Council at the date of this report are:

President -	Seb Chan
Vice-President -	Julie Baird
Treasurer -	Yulia Firestone
Secretary -	Craig Middleton (appointed prior to 2021 AGM)
Public Officer -	Rebecca Coronel (appointed prior to 2021 AGM)
Ex officio member -	Dr Mat Trinca (appointed prior to 2021 AGM)

Members:	Cameron Auty
	Nina Earl
	Vick Gwyn
	Marcus Hughes (to March 2022)
	Dr Lynda Kelly
	Jane King (appointed prior to 2021 AGM)
	Dr Janice Reiger
	Carly Lane (to May 2022).

Directors have been in office since the 2021 Annual General Meeting to the date of this report unless otherwise stated.

### Principal Activities

The principal activities of the Association during the period were those of advocacy and professional development, for and on behalf of, individual institutional members and other museums and galleries within Australia.

No significant changes in the nature of the Association's activities occurred during the period.

### Operating Results

The deficit of the Association for the six month period amounted to \$93,776 (2021 deficit: \$150,298).

## COUNCIL REPORT

### **Review of Operations**

A review of operations of the Association during the period indicated that there have been no significant changes to operations of the entity during the period.

### **Significant Changes in State of Affairs**

There were no significant changes in the Association's state of affairs during the period.

Council highlights the decision to change the financial year from 1 January to 31 December to 1 July to 30 June. The financial report prepared therefore relates to the six month period ending 30 June 2022. Comparative numbers presented in the financial report relate to the 12 months ending 31 December 2021.

### **After Balance Date Events**

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

### **Future Developments**

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

### **Environmental Issues**

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### **Indemnifying Officers or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person other than who is or has been an officer of the entity.

### **Proceedings on Behalf of the Association**

No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any of those proceedings.

The Association was not a party to any such proceedings during the reporting period.

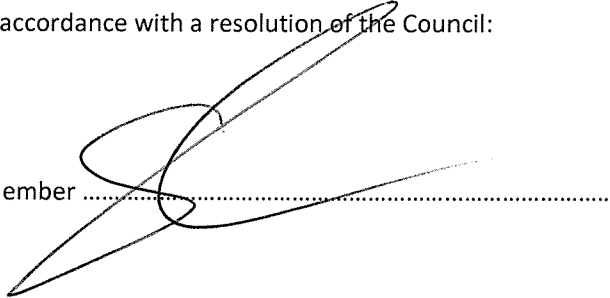
**COUNCIL REPORT**

**Auditor's Independence Declaration**

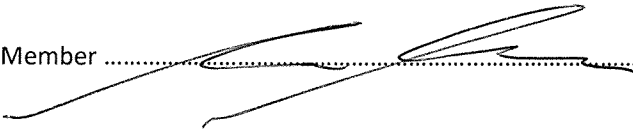
The lead auditor's independence declaration for the period ended 30 June 2022 has been received and can be found on page 5 of the Financial Report.

Signed in accordance with a resolution of the Council:

Council Member .....



Council Member .....



Dated this 27th day of November 2023.

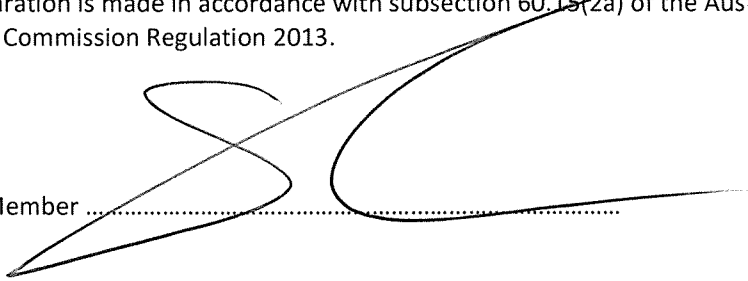
**RESPONSIBLE PERSONS' DECLARATION**

The Council of the Association declare that the financial statements:

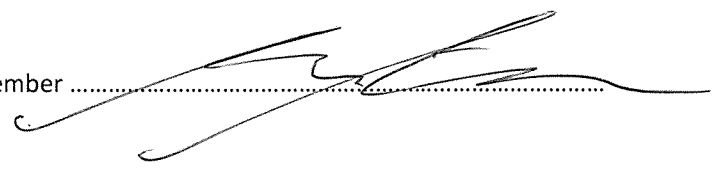
1. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the six month period ended on that date of the Association in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.
3. Satisfy the requirements of the *Australian Charities and Not-for-profit Commission Act 2012* and *Australian Charities and Not-for-profit Commission Regulation 2013*.

This declaration is made in accordance with subsection 60.15(2a) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Council Member .....



Council Member .....



Dated this 27th day of November 2023.



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*Professional Standards Legislation*

**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 60.40 OF THE  
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE  
COUNCIL OF AUSTRALIAN MUSEUMS AND GALLERIES ASSOCIATION INCORPORATED**

I declare that, to the best of my knowledge and belief, during the period ended  
30 June 2022 there have been:

- (a) no contraventions of the auditors' independence requirements as set out in  
the *Australian Charities and Not-for-profits Commission Act 2012* in relation  
to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation  
to the audit.

**AccountAbility**

**Anthony Wilson**  
**Registered Association Auditor**  
**Canberra, ACT**  
**27 November 2023**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>INCOME</b>			
Membership		162,306	302,135
Grant income	2	2,172,380	1,825,174
Sponsorship & philanthropic	3	33,319	23,516
Earned income		121,157	225,897
Administration income		3,884	4,451
		2,493,046	2,381,173
<b>EXPENSES</b>			
Administration		116,609	184,609
Communications		40,237	91,238
Legal, finance & governance	17	23,901	15,398
Marketing & promotion		8,287	12,195
Programs & projects		1,763,071	356,487
Personnel	17	611,270	1,831,294
Consultants & contractors		23,447	40,250
		2,586,822	2,531,471
Total expenses		2,586,822	2,531,471
(Deficit) from operating activities		(93,776)	(150,298)
<i>Other comprehensive income</i>			-
Total comprehensive income for the year		(93,776)	(150,298)

**Note** the 2021 comparative relates to the 12 months ended 31 December 2021

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	2,512,590	4,541,749
Trade and other receivables (net)		15,368	15,865
Accruals and prepayments		91,442	49,739
		2,619,400	4,607,353
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	37,024	35,844
		37,024	35,844
		2,656,424	4,643,197
TOTAL ASSETS			
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	6	114,554	512,558
Income in advance	7	1,978,299	3,492,946
Leave provisions	8	223,067	203,413
Other provisions - restructuring		20,000	20,000
		2,335,920	4,228,917
TOTAL CURRENT LIABILITIES			
		2,335,920	4,228,917
<b>NET ASSETS</b>			
		320,504	414,280
<b>EQUITY</b>			
Retained earnings		320,504	414,280
<b>TOTAL EQUITY</b>			
		320,504	414,280

**Note** the 2021 comparative relates to the 12 months ended 31 December 2021

The accompanying notes form part of these financial statements



**STATEMENT OF CHANGES IN EQUITY  
 FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

	Retained earnings	Total
	\$	\$
<b>Balance at 1 January 2021</b>	564,578	564,578
Operating (deficit) for the year	(150,298)	(150,298)
Other comprehensive income	-	-
<b>Balance at 31 December 2021</b>	<u>414,280</u>	<u>414,280</u>
Operating (deficit) for the period	(93,776)	(93,776)
Other comprehensive income	-	-
<b>Balance at 30 June 2022</b>	<u><u>320,504</u></u>	<u><u>320,504</u></u>

**Note** the 2021 comparative relates to the 12 months ended 31 December 2021

The accompanying notes form part of these financial statements

AUSTRALIAN MUSEUMS AND GALLERIES ASSOCIATION INCORPORATED  
ABN 83 048 139 955

**STATEMENT OF CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members and others		319,372	966,309
Grant funds provided		657,732	4,618,452
Payments to suppliers and employees		(2,997,734)	(2,285,932)
Interest & investment income		1,789	868
		_____	_____
Net cash generated by/(used in) operating activities	9	(2,018,841)	3,299,697
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(10,318)	(9,718)
		_____	_____
Net cash generated by/(used in) investing activities		(10,318)	(9,718)
<i>Net increase/(decrease) in cash held</i>		(2,029,159)	3,289,979
<b>Cash at beginning of the financial year</b>		4,541,749	1,251,770
<b>Cash at end of the financial year</b>	4	2,512,590	4,541,749

**Note** the 2021 comparative relates to the 12 months ended 31 December 2021

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for Australian Museums and Galleries Association Incorporated as an individual entity, incorporated and domiciled in Australia. The Association is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC).

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, Interpretations of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

The functional and presentation currency of the group is Australian dollars.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

**Accounting Policies**

The following is a summary of the material accounting policies adopted in the preparation of the financial statements.

The accounting policies have been consistently applied, unless otherwise stated. Comparatives are consistent with prior years, unless otherwise stated. When required by Accounting Standards, comparative figures are adjusted to conform with changes in presentation for the current financial year.

**(a) New and amended accounting policies adopted**

The Association has adopted all the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

For the period ended 30 June 2022, the Association has adopted *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The adoption of AASB 1060 has not had any material impact on the financial performance or position of the entity because the Academy's previous financial statements complied with Australian Accounting Standards - Reduced Disclosure Requirements.

The adoption of AASB 1060 has resulted in some minor disclosure changes in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Revenue**

Revenue recognised under AASB 15 is measured at the amount which the Association expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

*Timing of Revenue Recognition*

Revenue is recognised either at a point in time or over time, when (or as) the entity satisfies performance obligations by transferring the promised goods or services to its customers.

If the entity satisfies a performance obligation before it receives the consideration, the entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Any income billed but not received at year end is recorded as part of trade receivables. Amounts unbilled and accrued at year end are recognised as contract assets and recorded as part of accrued income. When income is received prior to the provision of services, a contract liability is recognised in the statement of financial position as income in advance.

**(c) Taxation**

No provision for income tax has been raised as the entity is exempt from income tax under Division 50-5 of the *Income Tax Assessment Act 1997*.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of financial position are shown inclusive of GST. Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(d) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year are measured at the net present value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Association's obligations for long term employee benefits are presented as non-current employee provisions on the Statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(e) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(g) Property, plant and equipment**

Each class of plant and equipment is carried at cost or fair values as indicated, less, where applicable, any accumulated depreciation and impairment losses.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

**Depreciation and amortisation**

The depreciable amount of all fixed and intangible assets are depreciated or amortised on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation/amortisation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	10.0 – 100.0%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The assets' residual values and useful lives are reviewed by Committee, and adjusted if appropriate, at each reporting date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**(h) Leases**

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the entity the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the Association recognises a right-of-use asset (lease asset) and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the entity's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Association is reasonably certain to exercise and incorporate the Association's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as an expense as incurred in the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately

*Classification and subsequent measurement*

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

*Financial assets*

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial instruments (Continued)**

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the above, the Association may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Association may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; and
- the Association may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

*Impairment of financial assets*

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The entity recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the entity's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the future direction of conditions at the reporting date, including time value of money where appropriate.

**(i) Comparative figures**

As stated above the 2021 comparative balances relate to the period 1 January 2021 to 31 December 2021.

When required by Australian Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current period.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Impairment of tangible and intangible assets**

At each reporting date, Council reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Association estimates the recoverable amount of the cash-generating unit to which the class of asset belongs.

**(k) Critical accounting estimates and judgements**

The Council evaluate estimates and judgements incorporated in to the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

*Key estimates – Impairment*

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(l) Application of new accounting standards**

The Association has adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Association in either the current or prior financial reporting periods.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>NOTE 2. GRANT INCOME</b>		
<i>National Office/Divisions</i>	58,916	76,564
<i>Victoria</i>		
Creative Victoria - Core	170,333	340,665
Creative Victoria - Core Grant Veterans	435	73,022
Creative Victoria Strategic- Core	104,287	208,500
Creative Victoria Strategic Investment 2	1,781	39,415
Creative Victoria Projects	-	10,000
Department of Jobs Precincts and Regions	-	720,279
Department of Jobs Precincts and Regions	-	10,000
Jobs Victoria	94,623	-
City of Melbourne	4,000	-
NLA	-	6,620
Public Records Office of Victoria	-	11,425
Regional Art Victoria	41,387	23,835
Amounts brought forward	-	11,734
Amounts carried forward	(32,593)	(27,200)
<i>Western Australia</i>		
WA Museum - Regional Training initiative	38,873	34,270
Lotterywest - Collections WA training	-	107,624
Lotterywest - Resilience & viability funding	-	47,094
CHART	1,690,338	131,327
	<u>2,172,380</u>	<u>1,825,174</u>

**NOTE 3. SPONSORSHIP & PHILANTHROPIC**

Awards – National/Other	28,765	14,974
Donations	4,554	8,542
	<u>33,319</u>	<u>23,516</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<b>NOTE 4. CASH ON HAND AND AT BANK</b>		
Cash at bank	2,512,228	4,541,387
Cash on hand	362	362
	2,512,590	4,541,749
 <b>NOTE 5. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Cost	208,165	198,447
Accumulated depreciation	(172,321)	(170,275)
Written down value	35,844	28,172
Additions	10,318	9,718
Depreciation expense	(9,138)	(2,046)
Cost	218,483	208,165
Accumulated depreciation	(181,459)	(172,321)
Written down value	37,024	35,844
 <b>NOTE 6. TRADE AND OTHER PAYABLES</b>		
Trade creditors & other payables	20,638	44,115
Amounts payable to the ATO	13,374	395,220
Deposits & funds held on trust	80,542	73,223
	114,554	512,558
 <b>NOTE 7: COMPOSITION OF INCOME IN ADVANCE</b>		
<i>National Office/Divisions</i>	1,489,631	3,186,753
<i>Victoria</i>		
Creative Victoria Strategic Investment 2	170,333	18,000
Other amounts carried forward	252,594	183,678
<i>Western Australia</i>	65,741	104,515
	1,978,299	3,492,946

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 8. LEAVE PROVISIONS**

**Analysis of total leave provisions**

	<b>Long Service Leave</b>	<b>Annual &amp; Other Short-Term Leave</b>
<b>Provisions</b>		
Opening balance as at 31 December 2021	43,750	159,663
Net movement in balance	5,808	13,846
Balance as at 30 June 2022	49,558	173,509
<i>Current</i>	49,558	173,509
<i>Non-current</i>	-	-
	49,558	173,509
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>

**NOTE 9. CASH FLOW RECONCILIATION**

<i>Cash as per:</i>		
Statement of financial position	4	
Statement of cash flows		
		2,512,590
		4,541,749
		2,512,590
		4,541,749
 <i>Reconciliation of surplus/(deficit) from operating activities to net cash provided by / (used in) operating activities</i>		
(Deficit) from ordinary activities		(93,776)
		(150,298)
 <i>Adjustments for non-cash &amp; other items</i>		
Depreciation		9,138
		2,046
 <i>Movements in assets and liabilities</i>		
Decrease/(increase) in receivables		497
Decrease/(increase) in other assets		389,445
Increase/(decrease) in creditors		(41,702)
Increase/(decrease) in unearned income		(398,004)
Increase/(decrease) in employee provisions		(1,514,647)
		2,815,012
		19,653
		20,726
		(2,018,841)
		3,299,697

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Association's financial instruments consist mainly of deposits with banks, local money market instruments-, short- and long-term investments, accounts receivable and payable.

The totals for each category have been presented above and are measured in accordance with applicable Australian Accounting Standards as detailed in the accounting policies detailed at Note 1.

Specific financial risk exposures and management

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

**Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Association.

The Association does not have any material credit risk exposure as its major source of revenue is the receipt of subscriptions, funding for specific activities and Government funding.

***Credit risk exposures***

The maximum exposure to credit risk by class of recognised financial assets (net of any provision) are presented in the Statement of Financial Position. Trade and other receivables that are neither past due or impaired are considered to be of high credit.

The Association has no significant concentration of credit risk exposure to any single counterparty.

Credit risk related to balances with banks and other financial institutions are managed in accordance with Association policy and is monitored by the Committee.

**Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Association manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to operational, investing and financing activities;
- Managing credit risk related to financial assets;

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profiles of financial assets.

**Market risk**

Market risk arises from the following:

- Interest rate risk – where a future change in interest rates will affect future cash flows or the fair value of the fixed asset; and
- Price risk – where a change in market prices of securities affect the future cash flows.

**Net fair values**

Fair values are those amounts at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair values of financial assets and liabilities are the same as the net carrying values presented in the Statement of financial position.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cashflow analysis and other valuation techniques commonly used by market participants. Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Association. Most of these instruments which are carried at amortised cost (i.e., trade receivables and borrowings) are to be held until maturity and the net fair value figures calculated bear little relevance to the Association.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 11. EVENTS AFTER THE BALANCE DATE**

There have not been any other matter or circumstance that has arisen since the end of the period which has significantly affected, or may significantly affect, the operations of the Association or the results of those operations, or the state of the Association in future financial years.

**NOTE 12. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent liabilities or assets as at 30 June 2022 which require disclosure in the financial statements.

**NOTE 13. KEY MANAGEMENT PERSONNEL AND RELATED PARTIES**

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the Association directly or indirectly.

Members of the Council are not remunerated for undertaking this role.

The total remuneration paid to other key management personnel of the Association is \$89,211 (2021: \$222,509).

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more or less favourable than those available to other parties unless otherwise stated.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**

**NOTE 14. CAPITAL MANAGEMENT**

The Council controls the capital of the Association to ensure that adequate cash flows are generated to fund operations. The Council is responsible for the overall risk management strategy.

The Association's capital consists of financial liabilities, supported by financial assets.

The Council effectively manages the Association's capital by assessing the Association's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

The Association does not have a formal policy on capital management and gearing ratios.

**NOTE 15. ASSOCIATION DETAILS**

The registered office and principal place of business for the Association is:

Upper Level  
Old Parliament House  
18 King George Terrace  
Parkes ACT 2600.

**NOTE 16. SEGMENT INFORMATION**

The Association operates in a single business segment and operates in each state and territory of Australia.

**NOTE 17. SPECIFIC DISCLOSURES**

	2022	2021
	\$	\$
<i>Included in Legal, Finance &amp; Governance</i>		
Audit	8,000	6,000
<i>Included in Personnel</i>		
Superannuation	52,659	97,881





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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN MUSEUMS AND GALLERIES ASSOCIATION INCORPORATED**

### **Report on the Audit of the Financial Report**

#### **Opinion**

I have audited the financial report of Australian Museums and Galleries Association Incorporated, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons' Declaration.

In my opinion the financial report of Australian Museums and Galleries Association Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the six month period then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of Australian Museums and Galleries Association Incorporated in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the *Code*) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the *Code*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of Council for the Financial Report**

The Council of Australian Museums and Galleries Association Incorporated are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing Australian Museums and Galleries Association Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate Australian Museums and Galleries Association Incorporated or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing Australian Museums and Galleries Association Incorporated's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Museums and Galleries Association Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Australian Museums and Galleries Association Incorporated.
- Conclude on the appropriateness of Australian Museums and Galleries Association Incorporated's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Australian Museums and Galleries Association Incorporated's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Australian Museums and Galleries Association Incorporated to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with Australian Museums and Galleries Association Incorporated regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including when considered necessary any significant deficiencies in internal control that I identify during my audit.

**AccountAbility**



**Anthony Wilson**  
**Registered Association Auditor**  
**Canberra, ACT**  
**27 November 2023**