

# **Redland Museum Inc.**

**ABN: 78 257 513 502**

## **Financial Statements**

**For the Year Ended 30 June 2020**

**Redland Museum Inc.**

ABN: 78 257 513 502

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**For the Year Ended 30 June 2020**

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**Redland Museum Inc.**

ABN: 78 257 513 502

**Statement of Comprehensive Income  
For the Year Ended 30 June 2020**

		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	4	<b>359,707</b>	408,482
Other income	4	<b>71,923</b>	18,762
Marketing expenses		<b>(1,739)</b>	(2,138)
Administrative expenses		<b>(309,789)</b>	(282,338)
Property Expenses		<b>(183,203)</b>	(183,237)
Museum Collection Expenses		<b>(4,036)</b>	(6,115)
Fundraising and Event Expenses		<b>(32,398)</b>	(64,692)
Customer Service, Volunteer and Member Expenses		<b>(4,763)</b>	(5,421)
Exhibition Expenses		<b>(1,857)</b>	(2,347)
<b>Deficit for the year</b>		<b><u>(106,155)</u></b>	<b><u>(119,044)</u></b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b><u>(106,155)</u></b>	<b><u>(119,044)</u></b>

The accompanying notes form part of these financial statements.

**Redland Museum Inc.**

ABN: 78 257 513 502

**Statement of Financial Position****As At 30 June 2020**

	2020	2019
Note	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	115,969	91,575
Trade and other receivables	6 33,762	4,170
Other financial assets	7 307,336	306,988
TOTAL CURRENT ASSETS	<u>457,067</u>	<u>402,733</u>
NON-CURRENT ASSETS		
Property, plant and equipment	8 1,826,194	1,978,053
TOTAL NON-CURRENT ASSETS	<u>1,826,194</u>	<u>1,978,053</u>
TOTAL ASSETS	<u><u>2,283,261</u></u>	<u><u>2,380,786</u></u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	9 26,162	17,683
Employee benefits	10 38,698	39,245
TOTAL CURRENT LIABILITIES	<u>64,860</u>	<u>56,928</u>
NON-CURRENT LIABILITIES		
Employee benefits	10 2,082	1,384
TOTAL NON-CURRENT LIABILITIES	<u>2,082</u>	<u>1,384</u>
TOTAL LIABILITIES	<u>66,942</u>	<u>58,312</u>
NET ASSETS	<u><u>2,216,319</u></u>	<u><u>2,322,474</u></u>
<b>EQUITY</b>		
Reserves	11 282,000	282,000
Retained earnings	<u>1,934,319</u>	<u>2,040,474</u>
TOTAL EQUITY	<u><u>2,216,319</u></u>	<u><u>2,322,474</u></u>

The accompanying notes form part of these financial statements.

**Redland Museum Inc.**

ABN: 78 257 513 502

**Statement of Changes in Equity  
For the Year Ended 30 June 2020****2020**

	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	<b>2,040,474</b>	<b>282,000</b>	<b>2,322,474</b>
Deficit for the year	(106,155)	-	(106,155)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>(106,155)</b>	<b>-</b>	<b>(106,155)</b>
<b>Balance at 30 June 2020</b>	<b>1,934,319</b>	<b>282,000</b>	<b>2,216,319</b>

**2019**

	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	<b>2,175,518</b>	<b>266,000</b>	<b>2,441,518</b>
Deficit for the year	(119,044)	-	(119,044)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>(119,044)</b>	<b>-</b>	<b>(119,044)</b>
Transfers from retained earnings to general reserves	(16,000)	16,000	-
<b>Balance at 30 June 2019</b>	<b>2,040,474</b>	<b>282,000</b>	<b>2,322,474</b>

The accompanying notes form part of these financial statements.

**Redland Museum Inc.**

ABN: 78 257 513 502

**Statement of Cash Flows**  
**For the Year Ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and grants	<b>423,234</b>	443,730
Payments to suppliers and employees	<b>(398,861)</b>	(416,820)
Interest received	<b>8,297</b>	4,953
<b>Net cash provided by operating activities</b>	<b>32,670</b>	31,863
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<b>(7,928)</b>	(69,701)
Net cash decrease in amortised cost investments	<b>(348)</b>	(10,028)
<b>Net cash used in investing activities</b>	<b>(8,276)</b>	(79,729)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,394</b>	(47,866)
Cash and cash equivalents at beginning of year	<b>91,575</b>	139,441
<b>Cash and cash equivalents at end of financial year</b>	<b>115,969</b>	91,575

The accompanying notes form part of these financial statements.

## Redland Museum Inc.

ABN: 78 257 513 502

# Notes to the Financial Statements

## For the Year Ended 30 June 2020

The financial statements cover Redland Museum Inc. as an individual entity. Redland Museum Inc. is a not-for-profit association incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*).

The principle activities of the Association for the year ended 30 June 2020 was the operation of a museum in Redland City.

The functional and presentation currency of Redland Museum Inc. is Australian dollars.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*) and the *Australian Charities and Not-for-Profit Commission Act 2012*.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### 2 Summary of Significant Accounting Policies

#### (a) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

#### (b) Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (c) Revenue and other income

##### For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates

All revenue is stated net of the amount of goods and services tax (GST).

##### Sales of goods and admission

Revenue is recognised on transfer of goods and services to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods or services.

##### Grant Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(c) Revenue and other income (continued)**

###### **For comparative year (continued)**

###### **Donations**

Donations and bequests are recognised as revenue when received.

###### **For current year**

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally for the Association, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue stream arising under contracts with customers of the Association is:

###### **Sales of goods and admissions**

Revenue from sales of goods or services comprises revenue earned from the sale of goods or services purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

###### **Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)**

###### **Grant income**

Amounts arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The Association considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(c) Revenue and other income (continued)**

###### **Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058) (continued)**

###### **Capital grants**

Capital grants received to enable the Association to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Association's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Association.

###### **Revenue from fundraising**

###### *Donations*

Donations collected, including cash and goods for resale, are recognised as revenue when the Association gains control of the asset.

###### *Bequests*

Bequests are recognised when the Association is notified of an impending distribution or the bequest is received, whichever occurs earlier.

Revenue from bequests comprising shares or other property are recognised at fair value, being the market value of the shares or property at the date the Association becomes legally entitled to the shares or property.

###### **Interest revenue**

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### **(d) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

##### Cost Model

The asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Buildings

Buildings are measured using the cost model.

##### Plant and equipment

Plant and equipment are measured using the cost model. Expenditure relating to the construction of exhibitions which, are expected to have a useful life of greater than one year, is capitalised.

##### Collection items

Collection items purchased are measured using the cost model. In addition, the Management Committee retains physical control of a number of other items ('Non-accessioned Collection') that have not been accessioned into the Collection. Such items are not accounted for or valued for the purpose of these financial statements. The 'Non-accessioned Collection' contains a number of items which do not meet the definition and recognition criteria for an asset and are not recorded in these financial statements. The Management Committee considers that any future value of these items will not be material in terms of the total value of the Collection.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets but excluding collection items, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements (which includes buildings on leasehold land) are depreciated over the estimated useful lives of the improvements.

Collection assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	5%
Plant and Equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(f) Financial instruments**

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **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.

##### *Classification*

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

All of the Association's existing financial assets are classified as at amortised cost.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies (continued)

##### (f) Financial instruments (continued)

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

###### **Financial liabilities**

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise only of trade payables.

##### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (h) Leases

###### **For comparative year**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

###### **For current year**

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(i) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the Statement of Financial Position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119 *Employee Benefits*.

#### **3 Change in Accounting Policy**

##### **Revenue from Contracts with Customers - Adoption of AASB 15 and Income of Not-for-profit Entities AASB 1058**

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The adoption of the new standards did not result in any material change to the pattern of revenue recognition compared to the previous revenue standards. Note 2(c) describes the Association's new accounting policies.

##### **Leases - Adoption of AASB 16**

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The adoption of the new standard did not result in any material change to the lease accounting of the Association as there are no material lease agreements. Note 2(h) describes the Association's new accounting policies.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 4 Revenue and Other Income

	2020	2019
	\$	\$
Revenue		
- Sales and admission	96,134	137,337
- Grants	243,883	237,126
- Membership fees	4,832	4,495
- Donations	14,858	29,524
	<u>359,707</u>	<u>408,482</u>
Other income		
- Interest received	6,145	7,153
- Other income - Government grants - COVID stimulus	65,778	-
- Other income	-	11,609
	<u>71,923</u>	<u>18,762</u>
<b>Total Revenue and Income</b>	<u><u>431,630</u></u>	<u><u>427,244</u></u>

#### 5 Result for the Year

The result for the year includes the following specific expenses:

		2020	2019
	Note	\$	\$
Depreciation expense	(a)	159,787	156,196
<b>Employee benefits expense</b>			
- Salaries and wages		214,057	190,311
- Superannuation contributions		19,206	16,936
- Movement in employee benefit provisions		151	5,666
<b>Total employee benefits expense</b>		<u>233,414</u>	<u>212,913</u>

##### (a) Depreciation Expense

Depreciation expense is included in 'property expenses' in the Statement of Comprehensive Income.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 6 Trade and other receivables

	2020	2019
Note	\$	\$
CURRENT		
Trade receivables	34	1,505
Prepayments	2,059	-
Accrued income	6(a) 31,669	2,665
	<u>33,762</u>	<u>4,170</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Accrued income

Accrued income for the current financial year includes \$31,156 (2019: Nil) of income related to Commonwealth Government COVID stimulus grants, which the Association has met the eligibility requirements for as at 30 June 2020.

#### 7 Other financial assets

	2020	2019
Note	\$	\$
CURRENT		
Financial assets at amortised cost	7(a) 307,336	306,988
	<u>307,336</u>	<u>306,988</u>

#### (a) Financial assets at amortised cost

Financial assets at amortised cost consist of term deposit accounts.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**8 Property, plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Buildings (on leasehold land)		
At cost	<b>2,557,441</b>	2,554,061
Accumulated depreciation	<b>(870,828)</b>	(743,019)
<b>Total buildings</b>	<b><u>1,686,613</u></b>	<u>1,811,042</u>
Plant and equipment		
At cost	<b>210,995</b>	206,447
Accumulated depreciation	<b>(132,317)</b>	(100,339)
<b>Total plant and equipment</b>	<b><u>78,678</u></b>	<u>106,108</u>
Collection items		
At cost	<b>60,903</b>	60,903
<b>Total collection items</b>	<b><u>60,903</u></b>	<u>60,903</u>
<b>Total property, plant and equipment</b>	<b><u><u>1,826,194</u></u></b>	<u><u>1,978,053</u></u>

**(a) Movements in carrying amounts of property, plant and equipment**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Collection items</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of year	1,811,042	106,108	60,903	1,978,053
Additions	3,380	4,548	-	7,928
Depreciation expense	(127,809)	(31,978)	-	(159,787)
<b>Balance at the end of the year</b>	<b><u>1,686,613</u></b>	<b><u>78,678</u></b>	<b><u>60,903</u></b>	<b><u>1,826,194</u></b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 9 Trade and other payables

	2020	2019
	\$	\$
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	3,675	124
GST payable	4,805	3,435
Sundry payables and accrued expenses	17,682	14,124
	<u>26,162</u>	<u>17,683</u>

#### 10 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Long service leave	24,242	22,323
Annual leave	14,456	16,922
	<u>38,698</u>	<u>39,245</u>
NON-CURRENT		
Long service leave	2,082	1,384
	<u>2,082</u>	<u>1,384</u>

#### 11 Reserves

Reserves consist of funds set aside by the management committee for funding of future maintenance requirements and projects.

	2020	2019
	\$	\$
Future fund and gift reserve	200,000	200,000
Collection sinking fund	24,000	24,000
Property, plant & equipment sinking fund	26,500	26,500
Solar power system sinking fund	19,000	19,000
Technology sinking fund	12,500	12,500
	<u>282,000</u>	<u>282,000</u>

#### 12 Contingencies

In the opinion of the management committee, the Association did not have any contingencies at 30 June 2020 (30 June 2019: None).

#### 13 Events Occurring After the Reporting Date

The financial report was authorised for issue on 27 August 2020 by the Management Committee.

No matters or circumstances have arisen since the end of the financial year 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.

**Redland Museum Inc.**

ABN: 78 257 513 502

**Statement by Members of the Committee**

The members of the management committee declare that in their opinion:

- there are reasonable grounds to believe that the Association is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (QLD) 1981*

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

President ..... 

Treasurer ..... 

Dated this 27<sup>th</sup> day of AUGUST 2020

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF REDLAND MUSEUM INC.

### QUALIFIED OPINION

We have audited the financial report of Redland Museum Inc., which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the management committee.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial report of Redland Museum Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-For-Profit Commission Act 2012* and the *Associations Incorporations Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*), including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### BASIS FOR QUALIFIED OPINION

Cash sales and donations are a significant source of revenue for Redland Museum Inc. Redland Museum Inc. has determined it is impracticable to establish control over the collection of cash receipts prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash receipts had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash receipts the Redland Museum Inc. recorded is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in *the Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### MANAGEMENT COMMITTEE'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The Management Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, *Associations Incorporations Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*) and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the Management Committee is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee'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 the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity 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.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

*UHY Haines Norton*

**UHY Haines Norton**  
Chartered Accountants



**Reece Jory**  
Partner

Brisbane, 28 August 2020

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