

Annual General Meeting

Agenda Item 7

18 May 2016

Prepared by: Scott Mitchell

Date: 26 April 2016

Audited Accounts for 2015, Appointment of Auditor for 2016, and Treasurer's Report for year 2016 to date

1. Recommendations

- 1.1 That the Audited Accounts for the year 2015 be adopted;
- 1.2 That Mr Anthony Wilson be re-appointed as Auditor for 2016; and
- 1.3 That the Report of the Treasurer for the year to date be noted.

2. Audited Accounts for 2015

- 2.1 The accounts for 2015 have been audited by Mr Anthony Wilson, Principal of AccountAbility. ICOM Australia recorded an operating deficit of \$14,359 in 2015, compared with a small surplus of \$3,352 in 2014. Members' equity has decreased from \$114,689 to \$100,328. The deficit can primarily be attributed to the relatively unfavorable Australian dollar/Euro exchange rate, which impacts on the cost of membership fees remitted to ICOM Paris. Subscriptions to Paris increased to \$72,989 in 2015 (\$69,431 in 2014), although membership subscriptions fell slightly. The deficit also reflects a "one off" expense of \$8,772 incurred in 2015 to upgrade the ICOM website.
- 2.2 The accrued cash and cash equivalents held at 31 December 2015 were \$140,933, down from \$189,350 in December 2014. The cash deposits held at 31 December 2014 were three Term Deposits holding \$51,926, \$53,936 and \$22,293 respectively as well as \$12,780 in a Cash Management Account with ANZ Bank. Note that as at 31 December the amount of \$63,362 had been collected as subscriptions received in advance by Museums Australia, which was subsequently paid to ICOM in January 2016. In previous years subscriptions collected in advance were paid to ICOM prior to 31 December, ensuring variation in the timing of this payment is responsible for the significant difference in Subscriptions received in advance under current liabilities (\$1600 in December 2015 versus \$35,701 in December 2014).

- 2.3 A notable item in the 2015 Accounts is the \$13,750 contributed towards the costs of the MA/ICOM Joint Secretariat (\$11,500 in 2014). Other (non-subscription) expenses include \$8,772 for the website upgrade, \$3,000 sponsorship of the Museums Australia Conference, \$1,100 in audit fees, \$631 in bursaries, and \$1,000 subscription fee to Blue Shield Australia.
- 2.4 Copies of the Auditor's Report are available for consideration and adoption.

3. Appointment of Auditor for 2015

- 3.1 Mr Anthony Wilson has been our auditor for several years and also audits Museums Australia's accounts. He continues to provide good service at reasonable cost and is willing to be re-appointed as auditor for 2016.
- 3.2 I recommend that he be reappointed as Auditor of ICOM Australia for 2016.

4. Treasurer's Report for year to date 2016

- 4.1 At the time of writing, ICOM Australia has a budgeted operating deficit for 2016 of approximately \$20,477. The actual result will depend significantly on future fluctuations in the value of the Australian dollar versus the Euro. A relatively conservative exchange rate of 0.57 was used in calculating the budget, and it should be noted the actual rate at the current reporting date is significantly more favorable (0.69).
- 4.2 As at 31 March 2016 total cash held by ICOM Australia stood at \$206,306. Significant expenditure later in 2015 will include the transfer to Paris of the balance of subscriptions received, costs associated with the ICOM Awards, and the Auditor's fee. We continue to offer bursaries to members for attendance at ICOM International Committee meetings and the triennial General Conferences.
- 4.3 The Committee has been continually monitoring whether ICOM Australia should cut back on operational expenses (such as bursaries) and/or raise member subscription fees. To date it has elected to maintain expenditure and membership fees at their current levels and draw down cash reserves. A key decision for the new Treasurer and Committee will be whether to raise ICOM subscription fees for 2016. ICOM Australia has not increased its fees for the last five years, however the declining value of the Australian dollar has increased the costs of remitting membership fees to Paris.
- 4.4 I would like to acknowledge the valuable work of Museum Australia's Lee Scott and Stephanie Hamilton under the Joint Secretariat arrangements.