

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

2003-04 ANNUAL FINANCIAL STATEMENTS

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE

for the year ended 30 June 2004

	Note	2004 \$	2003 \$
The Acquisition Fund			
Revenue			
Membership pledges received		56,485	226,405
Directed Acquisitions		12,000	-
Interest on investment		119,071	106,669
Special viewings and Functions		3,520	6,261
Total revenue		191,076	339,335
Expenditure			
Salaries and wages costs		68,205	51,176
Printing and publications costs		991	9,616
Research		8,200	-
Special viewings and functions		11,540	5,114
Office Costs		4,993	7,250
Contributions to the Art Gallery	3	399,982	46,446
Total Expenditure		493,911	119,602
Operating result		(302,835)	219,733
Opening balance of fund		2,291,240	2,071,507
Closing balance of fund		1,988,405	2,291,240
The Living Centre Fund			
Revenue			
Membership pledges received		122,000	109,500
Interest on investment		23,189	20,549
Total revenue		145,189	130,049
Expenditure			
Special viewings and functions		-	1,122
Office Costs		288	1,047
Contributions to the Art Gallery	3	312,337	76,617
Total Expenditure		312,625	78,786
Operating Result		(167,436)	51,263
Opening balance of fund		402,611	351,348
Closing balance of fund		235,175	402,611
Contemporary Art Group			
Revenue			
Membership pledges received		20,000	-
Interest on investment		3,329	2,234
Total revenue		23,329	2,234
Expenditure			
Special viewings and functions		5	1,439
Contributions to the Art Gallery	3	69,211	-
Total Expenditure		69,216	1,439
Operating Result		(45,887)	795
Opening balance of fund		46,496	45,701
Closing balance of fund		609	46,496
Closing balance of capital funds		2,224,189	2,740,347

The above Statement of Income and Expenditure should be read in conjunction with the accompanying notes.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

BALANCE SHEET

as at 30 June 2004

	2004 \$	2003 \$
CAPITAL FUNDS		
The Acquisition Fund		
Membership pledges	2,388,834	2,332,349
State Government contribution	500,000	500,000
Accumulated other net expenses	(900,429)	(541,109)
Total Acquisition fund	1,988,405	2,291,240
The Living Centre Fund		
Membership Pledges	945,318	823,318
Accumulated other net expenses	(710,143)	(420,707)
Total Living Centre Fund	235,175	402,611
Contemporary Art Group		
Membership Pledges	60,000	40,000
Accumulated other net income	(59,391)	6,496
Total Contemporary Art Group	609	46,496
Total Capital Fund	2,224,189	2,740,347
Represented by:		
CURRENT ASSETS		
Cash on deposit		
The Acquisition Fund	2,327,136	2,364,098
The Living Centre Fund	231,156	399,178
Contemporary Art Group	42,196	46,387
Accrued interest		
The Acquisition Fund	9,364	5,667
The Living Centre Fund	943	1,107
Contemporary Art Group	171	111
Accrued Income		
The Acquisition Fund	1,015	-
Total current assets	2,611,981	2,816,548
Total assets	2,611,981	2,816,548
CURRENT LIABILITIES		
Accrued expenses		
The Acquisition Fund	346,036	76,201
The Living Centre Fund	41,756	-
Total current liabilities	387,792	76,201
Total liabilities	387,792	76,201
Net assets	2,224,189	2,740,347

The above Balance Sheet should be read in conjunction with the accompanying notes

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

STATEMENT OF CASH FLOWS

for the year ended 30 June 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
The Acquisition Fund			
Membership Contributions		56,485	226,405
Grants		12,000	-
Special viewings and functions		3,424	6,261
Expenditure		(93,929)	(77,090)
Payment to Art Gallery		(120,349)	-
Tom Malone Prize		(10,000)	(10,000)
The Living Centre Fund			
Membership Contributions		122,000	109,500
Special viewings and functions		-	-
Expenditure		(288)	(2,169)
Payment to Art Gallery for works of art		(312,337)	(76,617)
Contemporary Art Group			
Membership Contributions		20,000	-
Special viewings and functions		-	-
Expenditure		(5)	(1,439)
Payment to Art Gallery for works of art		(27,455)	-
Net cash (used in) / provided by operating activities	a	(350,454)	174,851
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest on investment		141,279	131,813
Net cash provided by investment activities		141,279	131,813
Net (decrease) / increase in cash held		(209,175)	306,664
Cash at the beginning of the financial year		2,809,663	2,502,999
Cash at end of the financial year	b	2,600,488	2,809,663

This Statement of Cash Flows is to be read in conjunction with the accompanying notes.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to Statement of Cash Flows

for the year ended 30 June 2004

	<u>2004</u> \$	<u>2003</u> \$
(a) Reconciliation of net cash (used in) / provided by operating activities to operating result:		
Operating result - The Acquisition Fund	(302,835)	219,733
Operating result - The Living Centre Fund	(167,436)	51,263
Operating result - Contemporary Art Group	(45,887)	795
Interest on investment	(145,589)	(129,451)
Accrued Expenditure	311,591	32,511
Other non-cash items	(298)	-
Net cash (used in) / provided by operating activities	<u>(350,454)</u>	<u>174,851</u>
(b) The cash held comprises the following deposits:		
Commonwealth Bank of Australia interest bearing account	<u>2,600,488</u>	<u>2,809,663</u>

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts

for the year ended 30 June 2004

1. OBJECT OF THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

The Art Gallery of Western Australia Foundation was established in 1989 following an amendment to the Art Gallery Act 1959, Section 28A, which provides:

"The objects of the foundation are -

- (a) to attract and retain for the Art Gallery the continuing interest and financial support of the community at large and to encourage donations to maintain, improve and develop the State collection of works of art and the facilities and well-being of the Art Gallery; and
- (b) to perform such other duties and exercise such other powers as are provided for in the rules."

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

(a) Basis of Accounting

In the Council Members' opinion, the Foundation is not a reporting entity because there are no users dependent on general-purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Council Members' request to prepare and distribute a financial report and must not be used for any other purpose. The Council Members have determined that the accounting policies adopted are appropriate to meet their needs.

The financial report has been prepared in accordance with the applicable Australian Accounting Standards with the exception of the disclosure requirements in the following:

AASB 1018:	Statement of financial performance
AASB 1028:	Employee Benefits
AASB 1005:	Segment Reporting
AAS 3:	Accounting for Income Taxes (Tax-effect Accounting)
AAS 4:	Depreciation
AAS 8:	Events Occurring After Balance Date
AAS 15:	Revenue
AAS 17:	Leases
AAS 22:	Related party disclosures
AAS 28:	Statement of cash flows
AAS 33:	Presentation and disclosure of financial instruments
AAS 36:	Statement of financial position
AAS 37:	Financial report presentation and disclosures

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts

for the year ended 30 June 2004

(b) Accounting Policies

In 1999 the Foundation changed its policy with respect to the acquisition of works of art. Prior to this purchases and donations of works of art were treated as assets of the Foundation and they were brought to account accordingly. The new policy considers these to be assets of the Art Gallery rather than the Foundation. When the Foundation contributes funds towards the cost of acquiring Art Gallery assets this is expensed in the year that the commitment to fund the work of art occurs. The value of works of art that are donated to the Art Gallery are recorded as a contribution towards membership of the Foundation.

(c) Accounts

All Art Gallery of Western Australia Foundation records and transactions were administered and maintained by the Art Gallery of Western Australia free of charge.

(d) Audit

These Financial Statements have been audited by PricewaterhouseCoopers for no consideration on an honorary basis.

3. CONTRIBUTIONS TO THE ART GALLERY

Acquisition funds are raised principally to fund the purchase of works of art by the Art Gallery. These are shown as a contribution to the Art Gallery in the year that commitment to fund the works of art occurs. The total contributions made to the Art Gallery since the inception of the Foundation are:

	\$
<u>Contributions prior to 2004</u>	
Works of Art	1,445,465
Susan Norrie Catalogue	5,000
Scooter	3,075
Tom Malone Prize	10,000
Utopia Tour Exhibition Grant	98,000
Indigenous Trainee Assistant Curator Salary	86,087
	<u>1,647,627</u>
<u>2004 Contributions</u>	
Works of Art	
Acquisition Fund	12,000
Living Centre Fund	312,337
Contemporary Art Group	69,211
Tom Malone Prize	20,000
South West Central Exhibition Grant	19,989
Family Program Pilot & Children's Book Donation	338,200
Indigenous Trainee Assistant Curator Salary	9,793
	<u>781,530</u>
Total Contributions	<u>2,429,157</u>

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts

for the year ended 30 June 2004

4. CAPITAL FUNDS

The capital has been divided into three funds depending on the purpose for which the funds are held. **The Acquisition Fund** was established to provide funds for the Art Gallery to purchase works of art for the State Art Collection. **The Living Centre Fund** was established to raise funds to support the construction of a Living Centre and Sculpture Garden on the Art Gallery site. **The Contemporary Art Group** was established to provide funds to purchase contemporary art works for the State Art Collection.

5. MEMBERSHIP PLEDGES

Donor pledges of cash donations are recognised as membership pledges in the Income and Expenditure Statement when payment has been received.

6. DONATED WORKS OF ART

The value of works of art donated to the Art Gallery contributes towards membership of the Foundation. These donated works of art are recognised directly in the accounts of the Art Gallery and do not constitute income to the Foundation.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts

for the year ended 30 June 2004

7. REMUNERATION OF FOUNDATION COUNCIL MEMBERS

The following persons were Council Members during the year ended 30 June 2004 and received the following remuneration for their services to the Art Gallery of Western Australia Foundation:

		2004	2003
		\$	\$
Mrs Rosemary Pratt	(term ended October 2003)	nil	nil
Mr EL (Mick) Bolto	(term ended 30 June 2003)	na	nil
Mr Robin Forbes	(term ended February 2004)	nil	nil
Mr Ron Wise	(term ended November 2003)	nil	nil
Mrs Annie Fogarty	(appointed April 2004)	nil	na
Mr John McGlue		nil	nil
Mr Rodney Thompson	(term ended November 2003)	nil	nil
Mrs Diana Warnock	(term ended April 2004)	nil	nil
Mr Dario Amara		nil	nil
Mr Brian Greenwood	(appointed March 2004)	nil	na
Dr John Maloney	(appointed April 2004)	nil	na
Mr Alan R Dodge		nil	nil
Mr Brett Davies		nil	nil
		<u>nil</u>	<u>nil</u>

8. TAXATION OF THE FOUNDATION

The Art Gallery of Western Australia Foundation is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.