



ANNUAL FINANCIAL STATEMENTS

2019-20





CONTENTS

Statements:

Financial Position	02
Comprehensive Income	04
Changes in Equity	09
Cash Flow	10
Notes to and forming part of the Accounts	11

The Art Gallery of Western Australia Foundation is a body corporate created under the *Art Gallery Act 1959*. The objects of the Foundation, as prescribed by the *Art Gallery Act 1959* and the *Art Gallery of Western Australia Foundation Rules 1989*, are contained in Note 1 to the Accounts on page 12. A special purpose account called The Account of the Art Gallery of Western Australia Foundation is established under section 16 of the *Financial Management Act 2006* to which all monies received by the Foundation are credited and all expenditure incurred by the Foundation is charged.



THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Financial Position as at 30 June 2020

	2020 \$	2019 \$
FOUNDATION CAPITAL FUNDS		
The Acquisition Fund		
Membership pledges received	8,923,991	8,876,834
Accumulated other net expenses	(5,712,183)	(5,460,685)
Total Acquisition Fund	3,211,808	3,416,149
The TomorrowFund		
Membership pledges received	7,103,883	7,041,786
State Government contribution	15,000,000	15,000,000
Quoted investment	6,925,000	4,510,000
Accumulated other net expenses	1,874,496	930,951
Total TomorrowFund	30,903,379	27,482,737
The Historical Fund		
Membership pledges received	757,206	757,206
Accumulated other net expenses	(744,527)	(744,643)
Total Historical Fund	12,679	12,563
The Living Centre Fund		
Membership pledges received	1,008,245	1,008,245
Accumulated other net expenses	(826,268)	(827,936)
Total Living Centre Fund	181,977	180,309
Contemporary Art Group		
Membership pledges received	504,926	488,926
Accumulated other net expenses	(407,248)	(391,054)
Total Contemporary Art Group	97,678	97,872
Foundation Bequests		
Bequests received	2,259,755	2,259,755
Accumulated other net expenses	(374,216)	(300,436)
Total Foundation Bequests	1,885,539	1,959,319
Exhibition Fund		
Membership pledges received	258,550	236,150
Accumulated other net expenses	(183,049)	(183,628)
Total Exhibition Fund	75,501	52,522
AGWA Members Fund		
Membership contributions	130,682	102,703
Accumulated other net expenses	(324,408)	(226,142)
Total AGWA Members Fund	(193,726)	(123,439)
Total Foundation Capital Funds	36,174,835	33,078,032

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Financial Position - continued

	2020	2019
	\$	\$
Represented by:		
CURRENT ASSETS		
Cash on deposit		
The Acquisition Fund	3,207,937	3,400,506
The TomorrowFund	23,947,628	22,867,563
The Historical Fund	12,662	12,505
The Living Centre Fund	181,744	179,485
Contemporary Art Group	97,552	97,423
Foundation Bequests	1,883,121	1,950,350
Exhibition Fund	75,405	52,282
AGWA Members Fund	(193,725)	(123,438)
Accrued interest	37,511	131,356
Total current assets	29,249,835	28,568,032
Quoted investments	6,925,000	4,510,000
Total non-current assets	6,925,000	4,510,000
TOTAL ASSETS	36,174,835	33,078,032
NET ASSETS	36,174,835	33,078,032

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

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Comprehensive Income for the year ended 30 June 2020

	2020 \$	2019 \$
THE ACQUISITION FUND		
Revenue		
Bequests, trust and special purposes	47,157	139,782
Ticketing, conferences and functions	1,616	211,079
Sponsorship	–	10,000
Interest income	30,686	69,996
Other revenue	14,774	20,322
Total Revenue	94,233	451,179
Expenditure		
Employee benefits expense	111,999	118,687
Supplies and services	47,558	288,864
COVID-19 stimulus	118,636	–
Accommodation expenses	2,148	17,621
Works of art and related freight	9,900	29,750
Others	8,333	50
Total Expenditure	298,574	454,972
Operating result	(204,341)	(3,793)
Opening balance of fund	3,416,149	3,419,942
Closing balance of fund	3,211,808	3,416,149

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Comprehensive Income - continued

	2020 \$	2019 \$
THE TOMORROW FUND		
Revenue		
Bequests, trust and special purposes	62,097	20,608
Dividend revenue	971,755	510,000
Interest income	216,811	467,904
Total Revenue	1,250,663	998,512
Expenditure		
Supplies and services	1,735	2,628
Works of art and related freight	243,286	339,836
Change in share price	(2,415,000)	(2,315,000)
Total Expenditure	(2,169,979)	(1,972,536)
Operating result	3,420,642	2,971,048
Opening balance of fund	27,482,737	24,511,689
Closing balance of fund	30,903,379	27,482,737
THE HISTORICAL FUND		
Revenue		
Interest income	116	259
Total Revenue	116	259
Operating result	116	259
Opening balance of fund	12,563	12,304
Closing balance of fund	12,679	12,563

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Comprehensive Income - continued

	2020 \$	2019 \$
THE LIVING CENTRE FUND		
Revenue		
Interest income	1,668	3,710
Total Revenue	<u>1,668</u>	<u>3,710</u>
Operating result	1,668	3,710
Opening balance of fund	180,309	176,599
Closing balance of fund	<u>181,977</u>	<u>180,309</u>
CONTEMPORARY ART GROUP		
Revenue		
Bequests, trust and special purposes	16,000	30,000
Interest income	906	1,833
Total Revenue	<u>16,906</u>	<u>31,833</u>
Expenditure		
Supplies and services	-	245
Works of art and related freight	17,100	23,207
Total Expenditure	<u>17,100</u>	<u>23,452</u>
Operating result	(194)	8,381
Opening balance of fund	97,872	89,491
Closing balance of fund	<u>97,678</u>	<u>97,872</u>

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Comprehensive Income - continued

	2020 \$	2019 \$
FOUNDATION BEQUESTS		
Revenue		
Interest income	17,889	40,495
Total Revenue	<u>17,889</u>	<u>40,495</u>
Expenditure		
Works of art and related freight	91,669	17,865
Total Expenditure	<u>91,669</u>	<u>17,865</u>
Operating result	(73,780)	22,630
Opening balance of fund	1,959,319	1,936,689
Closing balance of fund	<u>1,885,539</u>	<u>1,959,319</u>
EXHIBITION FUND		
Revenue		
Bequests, trust and special purposes	22,400	30,700
Interest income	579	1,681
Total Revenue	<u>22,979</u>	<u>32,381</u>
Expenditure		
Contributions to the Art Gallery Corsini Exhibition	-	60,000
Total Expenditure	<u>-</u>	<u>60,000</u>
Operating result	22,979	(27,619)
Opening balance of fund	52,522	80,141
Closing balance of fund	<u>75,501</u>	<u>52,522</u>

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Comprehensive Income - continued

	2020 \$	2019 \$
AGWA MEMBERS FUND		
Revenue		
Membership fees	27,979	24,046
Ticketing, conferences and functions	4,730	9,025
Total Revenue	32,709	33,071
Expenditure		
Employee benefits expense	99,967	114,551
Supplies and services	2,253	15,688
Accommodation expenses	776	3,209
Total Expenditure	102,996	133,448
Operating result	(70,287)	(100,377)
Opening balance of fund	(123,439)	(23,062)
Closing balance of fund	(193,726)	(123,439)
Closing balance of capital funds	36,174,835	33,078,032

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

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Statement of Changes in Equity for the year ended 30 June 2020

	2020 \$	2019 \$
Balance of equity at start of period	33,078,032	30,203,792
Surplus/(deficit) for the period:		
The Acquisition Fund	(204,341)	(3,793)
The TomorrowFund	3,420,642	2,971,048
The Historical Fund	116	259
The Living Centre Fund	1,668	3,710
Contemporary Art Group	(194)	8,381
Foundation Bequests	(73,780)	22,630
Exhibition Fund	22,979	(27,619)
AGWA Members Fund	(70,287)	(100,377)
Total surplus for the period	3,096,803	2,874,239
Balance of equity at end of period	36,174,835	33,078,032

The Statement of Changes in Equity 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 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
The Acquisition Fund		
Bequests, trust and special purposes	47,157	139,782
Ticketing, conferences and functions	1,616	211,079
Sponsorship	–	10,000
Other revenue	14,774	20,322
Expenditure	(298,574)	(454,972)
The TomorrowFund		
Bequests, trust and special purposes	62,097	20,608
Expenditure	(245,021)	(342,464)
Contemporary Art Group		
Bequests, trust and special purposes	16,000	30,000
Expenditure	(17,100)	(23,452)
Foundation Bequests		
Expenditure	(91,669)	(17,865)
Exhibition Fund		
Bequests, trust and special purposes	22,400	30,700
Expenditure	–	(60,000)
AGWA Members Fund		
Membership fees	27,979	24,046
Ticketing, conferences and functions	4,730	9,025
Expenditure	(102,996)	(133,448)
Net cash (used in) / provided by operating activities	(558,607)	(536,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	362,500	600,261
Dividend revenue	971,755	510,000
Net cash provided by investing activities	1,334,255	1,110,261
Net increase in cash held	775,648	573,622
Cash at the beginning of the financial year	28,436,676	27,863,054
Cash at the end of the financial year	29,212,324	28,436,676

The Cash Flow Statement should be read in conjunction with the accompanying notes.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts as at 30 June 2020

1. OBJECTS 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."

Further objects of the Foundation are set out in the *Art Gallery of Western Australia Foundation Rules 1989*:

"The Foundation has the following objects in addition to those stated in section 28A(4) of the Act –

- (a) to raise finance for the acquisition of works of art by the Board for the State collection;
- (b) to provide financial assistance for the Art Gallery's educational programme, including exhibitions, displays, publications, research projects, and visits from overseas and interstate artists, art experts and teachers;
- (c) to disseminate, whether by written publication or otherwise, information and material of any nature relating to the Art Gallery and its objectives, activities and needs;
- (d) to widen knowledge, understanding and appreciation in the community of the Art Gallery and its objectives, activities and needs;
- (e) to raise money for the attainment of the objects of the Foundation, or any of them, by such methods as from time to time the Council considers desirable;
- (f) to pay the net proceeds of all moneys raised, after payment of expenses, to the Board for acquisition of works of art by the Board or for such other purposes as the Board may approve; and
- (g) to do all such things as are incidental or conducive to the attainment of the objects of the Foundation, or any of them, or to the preservation, development and improvement of the Art Gallery's collection and the facilities and well-being of the Art Gallery."

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 applicable Accounting Standards and Interpretations.

The financial report is prepared on the accrual basis of accounting 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.

(b) Accounting Policies

Bequests, trust and special purpose

Donor pledges and bequests are recognised in the Income and Expenditure Statement upon receipt.

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 as contributions to the Art Gallery (see note 3) and do not constitute financial income to the Foundation.

Works of Art and related freight

When the Foundation contributes funds towards the cost of acquiring Art Gallery assets, the cost is expensed in the year that the asset is on hand. As at 30 June 2020, works of art of \$16,418 was committed to be purchased.

Cash on deposit

Cash includes deposits at call with financial institutions.

Cash deposits are held in a bank account which is administered by the Art Gallery of Western Australia. Payments made by the Art Gallery of Western Australia on behalf of the Foundation are recouped from cash balances on a regular basis.

(c) Accounts

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

(d) Audit

From 2009, the Art Gallery of Western Australia Foundation financial statements will no longer be separately audited. Foundation transactions and balances are included in the Art Gallery of Western Australia's financial statements and are separately disclosed as a Special Purpose Account. These financial statements are audited annually by the Office of the Auditor General.

3. CONTRIBUTIONS TO THE ART GALLERY

Acquisition funds raised through cash donations fund the purchase of works of art by the Art Gallery. These are shown as a contribution to the Art Gallery in the year the works of art are purchased.

4. DONATED WORKS OF ART

For the period 2019-20, the Foundation was given 189 items from members, at a current value of \$704,660.

5. FOUNDATION CAPITAL FUNDS

The foundation capital has been divided into seven 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 TomorrowFund was established in May 2008 to provide a sustainable funding source for contemporary art works. This fund includes \$12.5 million funding from the State Government with a pledge to provide an additional \$2.5 million when the remaining portion of the \$10 million pledged to the Foundation from corporate and private supporters has been received. In 2018, the Statement Government made good the pledge and appropriated the remaining \$2.5 million.

The Historic Fund supports the acquisition of historic Australian works of art.

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.

The Foundation Bequests fund was established to manage funds bequeathed to the Foundation to provide a lasting legacy to the State Art Collection.

The Exhibition Fund was established in 2015 to raise funds to support ongoing temporary exhibitions and support improved access to the visual arts.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts - continued

6. REMUNERATION OF FOUNDATION COUNCIL MEMBERS

The following persons were Council Members during the year ended 30 June 2020 and received the following remuneration for their services to the Art Gallery of Western Australia Foundation:

	2020	2019
	\$	\$
Alexandrea Thompson	nil	nil
Dr Andrew Lu OAM	nil	nil
David Alder	nil	nil
Janet Holmes à Court AC	nil	nil
John Bond	nil	nil
Sandra Honey	nil	nil
Dr Stefano Carboni	nil	nil
Warwick Hemsley	nil	nil
Colin Walker	nil	nil
Michela Fini	nil	nil

Employee Entitlements

All staff of the Culture and Arts portfolio agencies, including the Art Gallery of Western Australia Foundation, are employees of the Department of Local Government, Sport and Cultural Industries ("DLGSC"), formerly known as Department of Culture and the Arts. DLGSC retains all liabilities in relation to employee benefits. Therefore, the Foundation has no liabilities in relation to employee entitlements.

7. TAXATION OF THE FOUNDATION

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