

**The Art Gallery
of Western Australia
Foundation**

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

2022-23 ANNUAL FINANCIAL STATEMENTS

30 June 2023

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The Art Gallery of Western Australia Foundation is a body corporate created under the *Art Gallery Act 1959*. 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 objects of the Foundation, as prescribed by the *Art Gallery Act 1959*, are contained in Note 1 to the Accounts on page 10.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	2023 \$	2022 \$
FOUNDATION CAPITAL FUNDS		
The Foundation General Fund		
Donations received	11,376,547	11,303,001
Accumulated other net expenses	(9,685,540)	(8,621,018)
Total Acquisition fund	<u>1,691,007</u>	<u>2,681,983</u>
The TomorrowFund		
Donations received	7,220,942	7,202,417
State Government contribution	15,000,000	15,000,000
Quoted investment	11,090,000	8,765,000
Accumulated other net expenses	(20,927,147)	802,009
Total TomorrowFund	<u>12,383,795</u>	<u>31,769,426</u>
Simon Lee Foundation		
Donations received	400,000	135,000
Accumulated other net expenses	(376,194)	(102,482)
Total Acquisition fund	<u>23,806</u>	<u>32,518</u>
Contemporary Art Group		
Donations received	534,926	534,926
Accumulated other net expenses	(484,340)	(456,313)
Total Contemporary Art Group	<u>50,586</u>	<u>78,613</u>
Foundation Bequests		
Bequests received	2,359,754	2,359,754
Accumulated other net expenses	(426,760)	(421,658)
Total Foundation Bequests	<u>1,932,994</u>	<u>1,938,096</u>
Exhibition Fund		
Donations received	717,950	444,550
Accumulated other net expenses	(282,849)	(183,655)
Total Exhibition Fund	<u>435,101</u>	<u>260,895</u>
JB Were Investment Fund		
Contributions from the Tomorrow Fund	22,500,000	
Accumulated other net income/expenses	911,167	
Total JB Were Investment Fund	<u>23,411,167</u>	<u>-</u>
Total Foundation Capital Funds	<u><u>39,928,455</u></u>	<u><u>36,761,531</u></u>
Represented by:		
CURRENT ASSETS		
Cash on deposit		
The Foundation General Fund	2,092,987	2,668,499
The TomorrowFund	1,434,279	22,988,239
Simon Lee Foundation	23,444	32,518
Contemporary Art Group	57,073	78,500
Foundation Bequests	1,944,305	1,936,128
Exhibition Fund	138,663	258,638
JBWere Investment Fund	23,077,023	0
Accrued interest	70,682	34,009
Total current assets	<u>28,838,456</u>	<u>27,996,531</u>
Quoted investments	11,090,000	8,765,000
Total non current assets	<u>11,090,000</u>	<u>8,765,000</u>
TOTAL ASSETS	<u><u>39,928,456</u></u>	<u><u>36,761,531</u></u>
NET ASSETS	<u><u>39,928,456</u></u>	<u><u>36,761,531</u></u>

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 2023

	2023 \$	2022 \$
The Foundation General Fund		
Revenue		
Bequests, trust and special purposes	73,546	154,643
Ticketing, conferences and functions	36,554	20,482
Membership Fees	-	25
Interest income	25,832	10,762
Other Revenue	-	-
Total revenue	135,931	185,912
Expenditure		
Employee benefits expense	235,833	231,440
Supplies and Services	291,473	141,167
COVID-19 Stimulus	-	103,820
Accommodation expenses	-	916
Works of Art and related freight	42,618	18,708
Dividend Transfer	550,000	-
Others	6,982	16,866
Total expenditure	1,126,907	512,917
Operating result	(990,975)	(327,005)
Opening balance of fund	2,681,983	3,008,988
Closing balance of fund	1,691,007	2,681,983
The TomorrowFund		
Revenue		
Bequests, trust and special purposes	18,525	70,858
Dividend revenue	980,000	1,699,286
Interest income	195,299	87,632
Total revenue	1,193,823	1,857,776
Expenditure		
Supplies and Services	25,572	43,943
Works of Art and related freight	378,883	358,622
Change in share price	(2,325,000)	2,905,000
JB Were Transfer	22,500,000	-
Total expenditure	20,579,455	3,307,564
Operating result	(19,385,632)	(1,449,788)
Opening balance of fund	31,769,426	33,219,215
Closing balance of fund	12,383,795	31,769,426
Simon Lee Foundation ICAA		
Revenue		
Bequests, trust and special purposes	265,000	135,000
Commonwealth Capital Grants	35,000	-
Sponsorship revenue	15,000	25,000
Interest income	1,010	336
Total revenue	316,010	160,336
Expenditure		
Employee benefits expense	113,481	87,488

Supplies and Services	197,162	30,330
Others	14,079	10,000
Total expenditure	324,722	127,818
Operating result	(8,712)	32,518
Opening balance of fund	32,518	-
Closing balance of fund	23,806	32,518

Contemporary Art Group

Revenue		
Bequests, trust and special purposes	0	15,000
Interest income	738	362
Total revenue	738	15,362
Expenditure		
Supplies and Services	6,866	15,925
Works of Art and related freight	21,899	15,000
Total expenditure	28,765	30,925
Operating result	(28,027)	(15,563)
Opening balance of fund	78,613	94,176
Closing balance of fund	50,586	78,613

Foundation Bequests

Revenue		
Bequests received	-	-
Interest income	18,925	7,154
Total revenue	18,925	7,154
Expenditure		
Works of Art and related freight	24,028	18,182
Total expenditure	24,028	18,182
Operating result	(5,102)	(11,028)
Opening balance of fund	1,938,096	1,949,124
Closing balance of fund	1,932,994	1,938,096

Exhibition Fund

Revenue		
Bequests, trust and special purposes	273,400	171,500
Interest income	806	621
Total revenue	274,206	172,121
Expenditure		
Supplies and Services	100,000	1,500
Works of Art and related freight	-	-
Total expenditure	100,000	1,500
Operating result	174,206	170,621
Opening balance of fund	260,895	90,274
Closing balance of fund	435,101	260,895

JBWere Investment Fund

Revenue

Dividend revenue	17,184	-
Interest income	361,134	-
Gain on disposal of non-current assets	559	-
Revaluation Increment	577,023	-
Total revenue	955,900	-

Expenditure

Management Services	44,733	-
Total expenditure	44,733	-

Operating result	911,167	-
Opening balance of fund	22,500,000	-
Closing balance of fund	23,411,167	-
Closing balance of capital funds	39,928,456	36,761,531

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 2023

	2023	2022
	\$	\$
Balance of equity at start of period	36,761,531	38,361,777
Surplus/(deficit) for the period:		
The General Foundation Fund	(990,975)	(327,005)
The TomorrowFund	(19,385,632)	(1,449,788)
Simon Lee Foundation ICAA	(8,712)	32,518
The Living Centre Fund	-	-
Contemporary Art Group	(28,027)	(15,563)
Foundation Bequests	(5,102)	(11,028)
Exhibition Fund	174,206	170,621
JBWere Investment Fund	23,411,167	-
Total surplus for the period	3,166,924	(1,600,245)
Balance of equity at end of period	39,928,456	36,761,531

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 2023

	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
The General Foundation Fund		
Bequests, trust and special purposes	73,546	154,642
Ticketing, conferences and functions	36,554	20,482
Other Revenue	-	-
Expenditure	(576,907)	(512,917)
The TomorrowFund		
Bequests, trust and special purposes	18,525	70,858
Expenditure	(404,455)	(402,564)
Simon Lee Foundation		
Contributions	315,000	160,000
Payment to Art Gallery	(324,722)	(127,818)
Contemporary Art Group		
Bequests, trust and special purposes	0	15,000
Expenditure	(13,765)	(15,925)
Tom Malone Prize	(15,000)	(15,000)
Foundation Bequests		
Bequests received	-	-
Expenditure	(24,028)	(18,182)
Exhibition Fund		
Bequests, trust and special purposes	273,400	171,500
Expenditure	(100,000)	(1,500)
JBWere Investment Fund		
Dividend revenue	17,184	-
Gain on disposal of non-current assets	559	-
Expenditure	(44,733)	-
Net cash (used in) / provided by operating activities	(768,841)	(501,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	567,069	95,160
Dividend revenue	980,000	1,699,286
Dividend transfer	(550,000)	-
Net cash provided by investing activities	997,069	1,794,446
Net increase in cash held	228,228	1,293,047
Cash at the beginning of the financial year	27,962,522	26,669,475
Cash at the end of the financial year	28,190,750	27,962,522

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

30 June 2023

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."

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 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 2023, there were 59 works of art with a current collective value of approximately \$470,000 approved for acquisition by the Board.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts

30 June 2023

Several works acquired in June 2023 are in the process of purchase negotiations with the suppliers.

Cash on deposit

Cash includes deposits at call with financial institutions.

Cash deposits are held between a bank account which is administered by The Art Gallery of Western Australia and the JBWere Investment Fund. 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 The 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

Funds raised through cash donations fund the purchase of works of art by the Art Gallery as well as Gallery activities such as Exhibition Development, Education, Social Impact and Public Programming and Publications. These are shown as a contribution to the Art Gallery in the year the works of art are purchased or projects are undertaken.

4. DONATED WORKS OF ART

From 1 Jan 1989, the Gallery has been gifted 4,231 items, at a current insured value of \$35,484,638.

5. FOUNDATION CAPITAL FUNDS

The Foundation capital has been divided into seven funds depending on the purpose for which the funds are held.

The General Foundation Fund was established primarily to provide funds for the Art Gallery to purchase works of art for the State Art Collection.

The Tomorrow Fund 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 State Government made good the pledge and appropriated the remaining \$2.5million.

The Simon Lee Foundation Fund supports AGWA's work with contemporary art practices and cultural thinking in Asia and its diaspora communities.

THE ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Notes to and forming part of the Accounts

30 June 2023

The Contemporary Art Group Fund 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 JBWere Investment Fund was implemented in 2022. The AGWA Foundation investment sub-committee was officially formed in 2022 to oversee the performance of investments. Following a formal tender process, JBWere was chosen as the preferred investment advisor for the AGWA Foundation.

Funds entered the market in September 2022 and delivered immediate returns.

6. REMUNERATION OF FOUNDATION COUNCIL MEMBERS

The following persons were Council Members during the year ended 30 June 2023 and received the following remuneration for their services to the Art Gallery of Western Australia Foundation:

	2023	2022
	\$	\$
David Alder	nil	nil
Linda Bond	nil	nil
Paul Chamberlain	nil	nil
Sarah D'Onofrio	nil	nil
Mario D'Orazio	nil	nil
Michela Fini	nil	nil
Randal Humich	nil	nil
Janet Holmes à Court AC	nil	nil
Andrew Lu AM	nil	nil
Paula Rogers	nil	nil
Colin Walker	nil	nil

7. 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.

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*.