

Art Gallery
of Western Australia
Foundation

Annual Financial Statements 2014-15



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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 16.

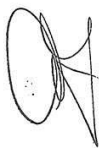
Council Members' Declaration

The financial statements of the Art Gallery of Western Australia Foundation are a special purpose financial report that has been prepared for distribution to members. As stated in Note 2(a) to the financial statements, in the Council Members' opinion, the Art Gallery of Western Australia Foundation is not a reporting entity because there are no users dependent on general purpose financial reports.

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. The audit for the financial statements of the Art Gallery of Western Australia for the year ended 30 June 2015 has not been formally completed but a draft audit opinion has been received that states that the financial statements are based on proper accounts and present fairly. The final audit opinion will be included in the Art Gallery of Western Australia's Annual Report which will be published on the Art Gallery website at the end of November.

The Council members declare that the financial statements and notes present fairly, in accordance with the accounting policies described in Note 2 to the financial statements, the Foundation's financial position as at 30 June 2015 and its performance for the financial year ended on that date.

In the Council members' opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.



Adrian Fini
Chair of the Council of the
Art Gallery of Western Australia Foundation

5 November 2015

The Art Gallery of Western Australia Foundation

Statement of Financial Position *as at 30 June 2015*

	2015	2014
	\$	\$
CAPITAL FUNDS		
The Acquisition Fund		
Membership pledges	7,052,180	6,946,979
Accumulated other net expenses	(3,671,186)	(3,666,666)
Total Acquisition fund	<u>3,380,994</u>	<u>3,280,313</u>
The Tomorrow Fund		
Membership pledges	6,747,203	6,480,973
State Government contribution	12,500,000	12,500,000
Accumulated other net expenses	903,448	2,042,426
Total Tomorrow Fund	<u>20,150,651</u>	<u>21,023,399</u>
The Historical Fund		
Membership pledges	745,200	745,200
Accumulated other net expenses	(745,200)	(745,200)
Total Historical fund	<u>-</u>	<u>-</u>
The Living Centre Fund		
Membership pledges	1,008,245	1,008,245
Accumulated other net expenses	(842,217)	(846,669)
Total Living Centre Fund	<u>166,028</u>	<u>161,576</u>
Contemporary Art Group		
Membership pledges	367,227	340,227
Accumulated other net expenses	(313,931)	(299,657)
Total Contemporary Art Group	<u>53,296</u>	<u>40,570</u>
Foundation Bequests		
Bequests received	2,069,866	2,069,866
Accumulated other net expenses	(330,945)	(419,232)
Total Foundation Bequests	<u>1,738,921</u>	<u>1,650,634</u>
Exhibition Fund		
Member contributions	25,000	-
Accumulated other net expenses	(171)	-
Total Exhibition Fund	<u>24,829</u>	<u>-</u>
Total Foundation Capital Fund	<u><u>25,514,719</u></u>	<u><u>26,156,492</u></u>

Statement of Financial Position as at 30 June 2015 – continued

	2015 \$	2014 \$
Represented by:		
CURRENT ASSETS		
Cash on deposit		
The Acquisition Fund	3,590,124	3,418,459
The Tomorrow Fund	18,847,917	18,553,535
The Historical Fund	-	-
The Living Centre Fund	165,009	160,432
Contemporary Art Group	52,968	40,282
Foundation Bequests	1,728,245	1,638,945
Exhibition Fund	24,676	-
Accrued interest		
The Acquisition Fund	22,362	23,231
The Tomorrow Fund	116,241	133,487
The Historical Fund	-	-
The Living Centre Fund	1,019	1,144
Contemporary Art Group	328	287
Foundation Bequests	10,677	11,690
Exhibition Fund	153	-
Total current assets	<u>24,559,719</u>	<u>23,981,492</u>
Quoted investments	955,000	2,175,000
Total non current assets	<u>955,000</u>	<u>2,175,000</u>
TOTAL ASSETS	<u><u>25,514,719</u></u>	<u><u>26,156,492</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 2015*

	2015	2014
	\$	\$
THE ACQUISITION FUND		
Revenue		
Membership pledges received	105,201	126,659
Interest on investment	90,366	90,594
Special viewings, functions and trip deposits	39,783	21,658
Total revenue	235,350	238,911
Expenditure		
Salaries and wages costs	99,579	98,864
Printing and publications costs	661	809
Special viewings and functions	13,571	9,705
Office costs	20,038	6,188
Others	785	564
Contributions to the Art Gallery	-	15,620
Artwork expenses	35	3,297
Total expenditure	134,669	135,047
Operating result	100,681	103,864
Opening balance of fund	3,280,313	3,176,449
Closing balance of fund	3,380,994	3,280,313

Statement of Comprehensive Income for the year ended 30 June 2015 – continued

	2015	2014
	\$	\$
THE TOMORROW FUND		
Revenue		
Membership pledges received	266,230	993,873
Interest on investment	524,040	523,053
Dividends on investment	65,000	100,000
Special viewings and functions	-	-
Total revenue	855,270	1,616,926
Expenditure		
Office costs	2,001	9,544
Others	55	-
Contributions to the Art Gallery	463,452	503,927
Artwork expenses	42,510	138,072
Change in share price	1,220,000	(655,000)
Total expenditure	1,728,018	(3,457)
Operating result	(872,748)	1,620,383
Opening balance of fund	21,023,399	19,403,016
Closing balance of fund	20,150,651	21,023,399

THE LIVING CENTRE FUND

Revenue		
Interest on investment	4,452	4,479
Total revenue	4,452	4,479
Operating result	4,452	4,479
Opening balance of fund	161,576	157,097
Closing balance of fund	166,028	161,576

Statement of Comprehensive Income for the year ended 30 June 2015 – continued

	2015 \$	2014 \$
CONTEMPORARY ART GROUP		
Revenue		
Membership pledges received	27,000	27,000
Interest on investment	1,216	1,464
Total revenue	28,216	28,464
Expenditure		
Special viewings and functions	75	-
Office costs	1,488	4,179
Contributions to the Art Gallery	12,000	34,818
Artwork Expenses	1,927	-
Total expenditure	15,490	38,997
Operating result	12,726	(10,533)
Opening balance of fund	40,570	51,103
Closing balance of fund	53,296	40,570

Statement of Comprehensive Income for the year ended 30 June 2015 – continued

	2015 \$	2014 \$
FOUNDATION BEQUESTS		
Revenue		
Bequests received	187,505	-
Interest on investment	45,853	48,362
Total revenue	233,358	48,362
Expenditure		
Office costs	1,948	8,683
Contributions to the Art Gallery	137,992	173,155
Artwork Expenses	5,131	-
Total expenditure	145,071	181,838
Operating result	88,287	(133,476)
Opening balance of fund	1,650,634	1,784,110
Closing balance of fund	1,738,921	1,650,634
EXHIBITION FUND		
Revenue		
Member contributions	25,000	-
Interest on investment	318	-
Total revenue	25,318	-
Expenditure		
Special viewings and functions	489	-
Total expenditure	489	-
Operating result	24,829	-
Opening balance of fund	-	-
Closing balance of fund	24,829	-
Closing balance of capital funds	25,514,719	26,156,492

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 2015*

	2015 \$	2014 \$
Balance of equity at start of period	<u>26,156,490</u>	<u>24,571,773</u>
Surplus/(deficit) for the period:		
The Acquisition Fund	100,683	103,866
The Tomorrow Fund	(872,748)	1,620,383
The Historical Fund	-	-
The Living Centre Fund	4,452	4,479
Contemporary Art Group	12,726	(10,533)
Foundation Bequests	88,287	(133,476)
Exhibition Fund	24,829	-
Total surplus for the period	<u>(641,771)</u>	<u>1,584,719</u>
Balance of equity at end of period	<u><u>25,514,719</u></u>	<u><u>26,156,492</u></u>

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 2015*

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
The Acquisition Fund		
Membership contributions	105,201	126,659
Special viewings and functions	39,783	21,658
Expenditure	(134,669)	(119,427)
Payment to Art Gallery	-	(15,620)
The Tomorrow Fund		
Membership contributions	266,230	993,873
Special viewings and functions	-	-
Expenditure	(508,018)	(651,543)
The Historical Fund		
Membership contributions	-	-
Payment to Art Gallery	-	-
The Living Centre Fund		
Expenditure	-	-
Contemporary Art Group		
Membership contributions	27,000	27,000
Expenditure	(3,490)	(4,178)
Payment to Art Gallery	-	(22,818)
Tom Malone Prize	(12,000)	(12,000)

Statement of Cash Flows for the year ended 30 June 2015 – continued

	2015	2014
	\$	\$
Foundation Bequests		
Bequests received	187,505	
Expenditure	(7,079)	(8,682)
Payment to Art Gallery	(137,992)	(173,155)
Exhibition Fund		
Member contributions	25,000	
Expenditure	-	-
Payment to Art Gallery	(489)	-
Net cash (used in) / provided by operating activities	(153,018)	161,767
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investment	685,307	672,596
Dividends on investment	65,000	100,000
Net cash provided by investing activities	750,307	772,596
Net increase in cash held	597,289	934,363
Cash at the beginning of the financial year	23,811,652	22,877,289
Cash at the end of the financial year	24,408,941	23,811,652

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 *for the year ended 30 June 2015*

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

Membership pledges

Donor pledges are recognised as membership pledges 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.

Contributions to the Art Gallery/Commitments

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. There were no commitments to purchase further works of art as at 30 June 2015.

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 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:

	\$
Contributions prior to 2011	
Works of Art	2,972,431
Susan Norrie Catalogue	5,000
Scooter	3,075
Tom Malone Prize	80,000
Utopia Tour Exhibition Grant	98,000
Indigenous Trainee Assistant Curator Salary	95,880
South West Central Exhibition Grant	19,989
Family Program Pilot and Children's Book Donation	338,200
	<u>3,612,575</u>
2011 to 2014 Contributions	
Works of Art	
The TomorrowFund	2,470,434
Contemporary Art Group	39,235
The Historical Fund	745,200
Tom Malone Prize	44,000
Foundation Bequests	910,611
	<u>4,209,480</u>
2015 Contributions	
Works of Art	
The TomorrowFund	463,452
Tom Malone Prize	12,000
Foundation Bequests	137,992
	<u>613,444</u>
	<u>8,435,499</u>

4. CAPITAL FUNDS

The foundation capital has been divided into five 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 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.

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

5. REMUNERATION OF FOUNDATION COUNCIL MEMBERS

The following persons were Council Members during the year ended 30 June 2015 and received the following remuneration for their services to the Art Gallery of Western Australia Foundation:

	2015	2014
	\$	\$
Lyn Beazley	nil	nil
John Bend	nil	nil
Andrea Bux	nil	nil
Stefano Carboni		
Adrian Fini	nil	nil
Andrew Forrest	nil	nil
Sandra Honey	nil	nil
Nicholas Hasluck	nil	nil
Paul O'Connor	nil	nil
	<u>nil</u>	<u>nil</u>

6. 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 Culture and the Arts. The Department of Culture and the Arts retains all liabilities in relation to employee benefits. Therefore, the Foundation has no liabilities in relation to employee entitlements.

7. 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*.