



# ANNUAL FINANCIAL STATEMENTS

2018-19

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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 12.

The Art Gallery of Western Australia Foundation  
Statement of Financial Position *as at 30 June 2019*

	2019	2018
	\$	\$
<b>FOUNDATION CAPITAL FUNDS</b>		
<b>The Acquisition Fund</b>		
Membership pledges received	8,876,834	8,737,052
Accumulated other net expenses	(5,460,685)	(5,317,110)
Total Acquisition Fund	<u>3,416,149</u>	<u>3,419,942</u>
<b>The TomorrowFund</b>		
Membership pledges received	7,041,786	7,021,178
State Government contribution	15,000,000	15,000,000
Quoted Investment	4,510,000	2,195,000
Accumulated other net expenses	930,951	295,511
Total TomorrowFund	<u>27,482,737</u>	<u>24,511,689</u>
<b>The Historical Fund</b>		
Membership pledges received	757,206	757,206
Accumulated other net expenses	(744,643)	(744,902)
Total Historical fund	<u>12,563</u>	<u>12,304</u>
<b>The Living Centre Fund</b>		
Membership pledges received	1,008,245	1,008,245
Accumulated other net expenses	(827,936)	(831,646)
Total Living Centre Fund	<u>180,309</u>	<u>176,599</u>
<b>Contemporary Art Group</b>		
Membership pledges received	488,926	458,926
Accumulated other net expenses	(391,054)	(369,435)
Total Contemporary Art Group	<u>97,872</u>	<u>89,491</u>
<b>Foundation Bequests</b>		
Bequests received	2,259,755	2,259,755
Accumulated other net expenses	(300,436)	(323,066)
Total Foundation Bequests	<u>1,959,319</u>	<u>1,936,689</u>
<b>Exhibition Fund</b>		
Membership pledges received	236,150	205,450
Accumulated other net expenses	(183,628)	(125,309)
Total Exhibition Fund	<u>52,522</u>	<u>80,141</u>
<b>AGWA Members Fund</b>		
Membership contributions	117,724	93,678
Accumulated other net expenses	(241,163)	(116,740)
Total AGWA Members Fund	<u>(123,439)</u>	<u>(23,062)</u>
<b>Total Foundation Capital Funds</b>	<u><u>33,078,032</u></u>	<u><u>30,203,793</u></u>

	2019 \$	2018 \$
<b>Represented by:</b>		
<b>CURRENT ASSETS</b>		
<b>Cash on deposit</b>		
The Acquisition Fund	3,400,506	3,402,161
The TomorrowFund	22,867,563	22,200,664
The Historical Fund	12,505	12,240
The Living Centre Fund	179,485	175,680
Contemporary Art Group	97,423	89,026
Foundation Bequests	1,950,350	1,926,621
Exhibition Fund	52,282	79,724
AGWA Members Fund	(123,438)	(23,062)
<b>Accrued interest</b>		
The Acquisition Fund	15,640	17,780
The TomorrowFund	105,174	116,025
The Historical Fund	58	64
The Living Centre Fund	826	919
Contemporary Art Group	448	465
Foundation Bequests	8,970	10,069
Exhibition Fund	240	417
<b>Total current assets</b>	<b>28,568,032</b>	<b>28,008,793</b>
Quoted investments	4,510,000	2,195,000
<b>Total non current assets</b>	<b>4,510,000</b>	<b>2,195,000</b>
<b>TOTAL ASSETS</b>	<b>33,078,032</b>	<b>30,203,793</b>
<b>NET ASSETS</b>	<b>33,078,032</b>	<b>30,203,793</b>

The Statement of Financial Position 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 2019*

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>THE ACQUISITION FUND</b>		
<b>Revenue</b>		
Membership pledges received	139,782	99,906
Ticketing Revenue	201,349	188,103
Interest income	69,996	64,980
Special viewings and functions	30,052	19,134
Sponsorship	10,000	79,000
<b>Total revenue</b>	<b>451,179</b>	<b>451,123</b>
<b>Expenditure</b>		
Salaries and wages costs	119,055	90,466
Printing and publications costs	5,769	1,649
Special viewings and functions	253,421	296,222
Office costs	24,340	37,812
Others	22,061	33,518
Contributions to the Art Gallery	29,750	-
Artwork expenses	576	493
<b>Total expenditure</b>	<b>454,972</b>	<b>460,160</b>
Operating result	<b>(3,793)</b>	<b>(9,037)</b>
Opening balance of fund	3,419,942	3,428,979
<b>Closing balance of fund</b>	<b>3,416,149</b>	<b>3,419,942</b>

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>THE TOMORROWFUND</b>		
<b>Revenue</b>		
Membership pledges received	20,608	25,608
Interest income	467,904	402,952
Dividends on investment	510,000	180,000
<b>Total revenue</b>	<b>998,512</b>	<b>608,560</b>
<b>Expenditure</b>		
Office costs	515	118
Others	2,113	3,122
Contributions to the Art Gallery	339,836	369,982
Change in share price	(2,315,000)	415,000
<b>Total expenditure</b>	<b>(1,972,536)</b>	<b>788,222</b>
Operating result	2,971,048	(179,662)
Contribution from Fund	-	2,500,000
Opening balance of fund	24,511,689	22,191,351
<b>Closing balance of fund</b>	<b>27,482,737</b>	<b>24,511,689</b>

**THE HISTORICAL FUND**

<b>Revenue</b>		
Membership pledges received	-	4,000
Interest income	259	220
<b>Total revenue</b>	<b>259</b>	<b>4,220</b>
Operating result	259	4,220
Opening balance of fund	12,304	8,084
<b>Closing balance of fund</b>	<b>12,563</b>	<b>12,304</b>

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>THE LIVING CENTRE FUND</b>		
<b>Revenue</b>		
Interest income	3,710	3,363
<b>Total revenue</b>	<b>3,710</b>	<b>3,363</b>
Operating result	3,710	3,363
Opening balance of fund	176,599	173,236
<b>Closing balance of fund</b>	<b>180,309</b>	<b>176,599</b>

**CONTEMPORARY ART GROUP**

<b>Revenue</b>		
Membership pledges received	30,000	30,000
Interest income	1,833	1,541
<b>Total revenue</b>	<b>31,833</b>	<b>31,541</b>
<b>Expenditure</b>		
Office costs	245	242
Contributions to the Art Gallery	23,207	19,053
<b>Total expenditure</b>	<b>23,452</b>	<b>19,295</b>
Operating result	8,381	12,246
Opening balance of fund	89,491	77,245
<b>Closing balance of fund</b>	<b>97,872</b>	<b>89,491</b>

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>FOUNDATION BEQUESTS</b>		
<b>Revenue</b>		
Interest on investment	40,495	37,143
<b>Total revenue</b>	<b>40,495</b>	<b>37,143</b>
<b>Expenditure</b>		
Contributions to the Art Gallery	17,865	25,890
<b>Total expenditure</b>	<b>17,865</b>	<b>25,890</b>
Operating result	22,630	11,253
Opening balance of fund	1,936,689	1,925,436
<b>Closing balance of fund</b>	<b>1,959,319</b>	<b>1,936,689</b>

**EXHIBITION FUND**

<b>Revenue</b>		
Membership pledges received	30,700	88,450
Interest income	1,681	2,015
<b>Total revenue</b>	<b>32,381</b>	<b>90,465</b>
<b>Expenditure</b>		
Contributions to the Art Gallery Corsini exhibition	60,000	77,950
<b>Total expenditure</b>	<b>60,000</b>	<b>77,950</b>
Operating result	(27,619)	12,515
Opening balance of fund	80,141	67,626
<b>Closing balance of funds</b>	<b>52,522</b>	<b>80,141</b>



Statement of Comprehensive Income for the year ended 30 June 2019 – continued

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>AGWA MEMBERS FUND</b>		
<b>Revenue</b>		
Membership contributions received	24,046	29,178
Interest income	-	93
Special viewings and functions	9,025	27,740
<b>Total revenue</b>	<b>33,071</b>	<b>57,011</b>
<b>Expenditure</b>		
Salaries and wages costs	114,551	96,248
Printing and publications costs	-	1,984
Special viewings and functions	14,751	14,505
Office costs	3,321	7,564
Others	825	138
<b>Total expenditure</b>	<b>133,448</b>	<b>120,439</b>
Operating result	<b>(100,377)</b>	<b>(63,428)</b>
Opening balance of fund	<b>(23,062)</b>	40,366
<b>Closing balance of fund</b>	<b>(123,439)</b>	<b>(23,062)</b>
<b>Closing balance of capital funds</b>	<b>33,078,032</b>	<b>30,203,793</b>

The Statement of Comprehensive Income 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 2019*

	2019	2018
	\$	\$
<b>Balance of equity at start of period</b>	<u>30,203,792</u>	<u>27,912,323</u>
Surplus/(deficit) for the period:		
The Acquisition Fund	(3,793)	(9,037)
The TomorrowFund	2,971,048	(179,662)
The Historical Fund	259	4,220
The Living Centre Fund	3,710	3,363
Contemporary Art Group	8,381	12,246
Foundation Bequests	22,630	11,253
Exhibition Fund	(27,619)	12,515
AGWA Members Fund	(100,377)	(63,428)
Total surplus for the period	<u>2,874,239</u>	<u>(208,530)</u>
State Government Contribution	-	2,500,000
<b>Balance of equity at end of period</b>	<u><u>33,078,032</u></u>	<u><u>30,203,792</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 2018*

	2019	2018
	\$	\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
The Acquisition Fund	-	2,500,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>The Acquisition Fund</b>		
Membership pledges received	139,782	99,906
Ticketing Revenue	201,349	23,777
Sponsorship	10,000	79,000
Special viewings and functions	30,052	183,460
Expenditure	(454,972)	(460,160)
Payment to Art Gallery		
<b>The TomorrowFund</b>		
Membership pledges received	20,608	25,608
Expenditure	(342,464)	(373,222)
<b>The Historical Fund</b>		
Membership pledges received	-	4,000
<b>Contemporary Art Group</b>		
Membership pledges received	30,000	30,000
Expenditure	(245)	(242)
Payment to Art Gallery	(23,207)	(19,053)
<b>Foundation Bequests</b>		
Payment to Art Gallery	(17,865)	(25,890)
<b>Exhibition Fund</b>		
Member pledges received	30,700	88,450
Expenditure	(60,000)	(77,950)
<b>AGWA Members Fund</b>		
Membership contributions	24,046	29,178
Special viewings and functions	9,025	27,740
Expenditure	(133,448)	(120,439)
<b>Net cash (used in) / provided by operating activities</b>	<b>(536,639)</b>	<b>(485,837)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investment	600,261	491,013
Dividends on investment	510,000	180,000
<b>Net cash provided by investing activities</b>	<b>1,110,261</b>	<b>671,013</b>
<b>Net increase in cash held</b>	<b>573,622</b>	<b>2,685,176</b>
Cash at the beginning of the financial year	27,863,054	25,177,878
<b>Cash at the end of the financial year</b>	<b>28,436,676</b>	<b>27,863,054</b>

# The Art Gallery of Western Australia Foundation

## Notes to and forming part of the Accounts *for the year ended 30 June 2019*

### 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 4) 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 2019.

##### 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 2018-19, the Foundation was given 27 items from members, at a current insured value of \$245,450.

### 5. FOUNDATION CAPITAL FUNDS

The Foundation capital has been divided into eight 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 Historical 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 AGWA Members Fund** was established to offer a new annual membership model.

### 6. REMUNERATION OF FOUNDATION COUNCIL MEMBERS

The following persons were Council Members during the year ended 30 June 2019 and received the following remuneration for their services to the Art Gallery of Western Australia Foundation:

	2019	2018
	\$	\$
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
Sam Walsh AO	nil	nil
Sandy Honey	nil	nil
Dr Stefano Carboni	nil	nil
Warwick Hemsley	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. Therefore, the Foundation has no liabilities in relation to employee entitlements.

### 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*.