

**The Art Gallery
of Western Australia
Foundation**

**Financial Statements
2020 – 21**

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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 2021*

	2021	2020
	\$	\$
Foundation Capital Funds		
The Foundation General Fund		
Membership pledges received	10,140,113	9,811,879
Accumulated other net expenses	(7,313,694)	(6,781,118)
Total Acquisition fund	<u>2,826,419</u>	<u>3,030,761</u>
The TomorrowFund		
Membership pledges received	7,131,559	7,103,883
State Government contribution	15,000,000	15,000,000
Quoted investment	11,670,000	6,925,000
Accumulated other net expenses	(582,344)	1,874,496
Total TomorrowFund	<u>33,219,215</u>	<u>30,903,379</u>
The Living Centre Fund		
Membership pledges received	1,008,245	1,008,245
Accumulated other net expenses	(825,676)	(826,268)
Total Living Centre Fund	<u>182,569</u>	<u>181,977</u>
Contemporary Art Group		
Membership pledges received	519,926	504,926
Accumulated other net expenses	(425,750)	(407,248)
Total Contemporary Art Group	<u>94,176</u>	<u>97,678</u>
Foundation Bequests		
Bequests received	2,359,755	2,259,755
Accumulated other net expenses	(410,631)	(374,216)
Total Foundation Bequests	<u>1,949,124</u>	<u>1,885,539</u>
Exhibition Fund		
Membership pledges received	273,050	258,550
Accumulated other net expenses	(182,776)	(183,049)
Total Exhibition Fund	<u>90, 274</u>	<u>75,501</u>
Total Foundation Capital Funds	38,361,777	36,174,835

Statement of Financial Position *as at 30 June 2021 - Continued*

	2021	2020
	\$	\$
Represented by:		
CURRENT ASSETS		
Cash on deposit		
The Foundation General Fund	2,824,051	3,026,874
The TomorrowFund	21,531,220	23,947,628
The Historical Fund		0
The Living Centre Fund	182,416	181,744
Contemporary Art Group	94,093	97,552
Foundation Bequests	1,947,496	1,883,121
	90,199	75,405
AGWA Members Fund		
Accrued interest	22,302	37,511
Total current assets	26,691,777	29,249,835
Quoted investments	11,670,000	6,925,000
Total non current assets	11,670,000	6,925,000
TOTAL ASSETS	38,361,777	36,174,835
NET ASSETS	38,361,777	36,174,835

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 2021

	2021	2020
	\$	\$
The Foundation General Fund		
Revenue		
Bequests, trust and special purposes	328,234	47,157
Ticketing, conferences and functions	-	6,346
Membership Fees	-	27,979
Interest income	9,651	30,802
Other Revenue	2,065	14,774
Total revenue	339,950	127,058
Expenditure		
Employee benefits expense	177,858	211,966
Supplies and Services	32,000	49,811
COVID-19 Stimulus	274,096	118,636
Accommodation expenses	12,353	2,924
Works of Art and related freight	47,682	9,900
Others	303	8,333
Total expenditure	544,292	401,570
Operating result	(204,342)	(274,512)
Opening balance of fund	3,030,761	3,305,273
Closing balance of fund	2,826,419	3,030,761
The Tomorrowfund		
Revenue		
Bequests, trust and special purposes	27,676	62,097
Dividend revenue	1,235,000	971,755
Interest income	73,242	216,811
Total revenue	1,335,918	1,250,663
Expenditure		
Supplies and Services	11,358	1,735
Works of Art and related freight	1,253,724	243,286
Sculpture walk, flexible gallery space and conservation labs	2,500,000	-
Change in share price	(4,745,000)	(2,415,000)
Total expenditure	(979,918)	(2,169,979)
Operating result	2,315,836	3,420,642
Opening balance of fund	30,903,379	27,482,737
Closing balance of fund	33,219,215	30,903,379

Statement of Comprehensive Income for the year ended 30 June 2021 - Continued

The Living Centre Fund

Revenue

Interest income	592	1,668
Total revenue	592	1,668
Operating result	592	1,668
Opening balance of fund	181,977	180,309
Closing balance of fund	182,569	181,977

Contemporary Art Group

Revenue

Bequests, trust and special purposes	15,000	16,000
Interest income	318	906
Total revenue	15,318	16,906

Expenditure

Supplies and Services	3,820	-
Works of Art and related freight	15,000	17,100
Total expenditure	18,820	17,100

Operating result	(3,502)	(194)
Opening balance of fund	97,678	97,872

Closing balance of fund	94,176	97,678
Transfer in/(out)of funds		

Foundation Bequests

Revenue

Bequests received	100,000	-
Interest income	6,337	17,889
Total revenue	106,337	17,889

Expenditure

Works of Art and related freight	42,752	91,669
Total expenditure	42,752	91,669

Operating result	63,585	(73,780)
Opening balance of fund	1,885,539	1,959,319

Closing balance of fund	1,949,124	1,885,539
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Statement of Comprehensive Income *for the year ended 30 June 2021 - Continued*

Exhibition Fund

Revenue

Bequests, trust and special purposes	14,500	22,400
Interest income	273	579
Total revenue	14,773	22,979
Operating result	14,773	22,979
Opening balance of fund	75,501	52,522
Closing balance of fund	90,274	75,501
Closing balance of capital funds	38,361,777	36,174,835

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

Revenue Reconciliation

Membership pledges received
 Directed acquisitions
 Interest on investment
 State Government contribution
 Special viewings and functions
 Other

Expenditure Reconciliation

Salaries and wages costs
 Printing and publications costs
 Special viewings and functions
 Office costs
 Research
 Contributions to the Art Gallery

The Art Gallery of Western Australia Foundation

Statement of Changes in Equity *for the year ended 30 June 2021*

	2021	2020
	\$	\$
Balance of equity at start of period	36,174,835	33,078,032
Surplus/(deficit) for the period:		
The General Foundation Fund	(204,342)	(274,512)
The TomorrowFund	2,315,836	3,420,642
The Historical Fund	-	-
The Living Centre Fund	592	1,668
Contemporary Art Group	(3,502)	(194)
Foundation Bequests	63,585	(73,780)
	14,773	22,979
	-	-
Total surplus for the period	2,186,942	3,096,803
Balance of equity at end of period	38,361,777	36,174,835

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 2021*

	2021	2020
	\$	\$
Cash Flows From Operating Activities		
The General Foundation Fund		
Bequests, trust and special purposes	328,234	47,157
Ticketing, conferences and functions	-	6,346
Membership Fees	-	27,979
Other Revenue	2,065	14,774
Expenditure	(544,292)	(401,570)
The TomorrowFund		
Bequests, trust and special purposes	27,676	62,097
Expenditure	(3,765,082)	(245,021)
Contemporary Art Group		
Bequests, trust and special purposes	15,000	16,000
Expenditure	(18,820)	(17,100)
Foundation Bequests		
Bequests received	100,000	-
Expenditure	(42,752)	(91,669)
Exhibition Fund		
Bequests, trust and special purposes	14,500	22,400
Net cash (used in) / provided by operating activities	(3,883,471)	(558,607)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest ncome	105,622	362,500
Dividend revenue	1,235,000	971,755
Net cash provided by investing activities	1,340,622	1,334,255
Net increase in cash held	(2,542,849)	775,648
Cash at the beginning of the financial year	29,212,324	28,436,676
Cash at the end of the financial year	26,669,475	29,212,324

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 2021

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. There were no commitments to purchase further works of art as at 30 June 2021.

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

From 1 Jan 1989, the Foundation has received the gifting of 4,240 items, at a current insured value of \$35,146,379.

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 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 Statement Government made good the pledge and appropriated the remaining \$2.5million.

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.

6. Remuneration Of Foundation Council Members

The following persons were Council Members during the year ended 30 June 2021 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.