

**The Art Gallery
of Western Australia
Foundation**

**Financial Statements
2021 – 22**

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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 2022*

	2022	2021
	\$	\$
Foundation Capital Funds		
The Foundation General Fund		
Membership pledges received	10,294,756	10,140,113
Accumulated other net expenses	(7,796,074)	(7,313,694)
Total Acquisition fund	2,498,682	2,826,419
The TomorrowFund		
Membership pledges received	7,202,417	7,131,559
State Government contribution	15,000,000	15,000,000
Quoted investment	8,765,000	11,670,000
Accumulated other net expenses	802,009	-582,344
Total TomorrowFund	31,769,426	33,219,215
Simon Lee Foundation		
Membership pledges received	160,336	-
Accumulated other net expenses	(127,818)	-
Total Acquisition fund	32,518	-
The Living Centre Fund		
Membership pledges received	1,008,245	1,008,245
Accumulated other net expenses	(824,944)	(825,676)
Total Living Centre Fund	183,301	182,569
Contemporary Art Group		
Membership pledges received	534,926	519,926
Accumulated other net expenses	(456,313)	(425,750)
Total Contemporary Art Group	78,613	94,176
Foundation Bequests		
Bequests received	2,359,754	2,359,755
Accumulated other net expenses	(421,658)	(410,631)
Total Foundation Bequests	1,938,096	1,949,124
Exhibition Fund		
Membership pledges received	444,550	273,050
Accumulated other net expenses	(183,655)	(182,776)
Total Exhibition Fund	260,895	90,274
Total Foundation Capital Funds	36,761,531	38,361,777

Statement of Financial Position *as at 30 June 2022 - Continued*

	2022	2021
	\$	\$
Represented by:		
CURRENT ASSETS		
Cash on deposit		
The Foundation General Fund	2,485,419	2,824,051
The TomorrowFund	22,988,239	21,531,220
Simon Lee Foundation	32,518	-
The Living Centre Fund	183,080	182,416
Contemporary Art Group	78,500	94,093
Foundation Bequests	1,936,128	1,947,496
Exhibition Fund	258,638	90,199
Accrued interest	34,009	22,302
Total current assets	27,996,531	26,691,777
Quoted investments	8,765,000	11,670,000
Total non current assets	8,765,000	11,670,000
TOTAL ASSETS	36,761,531	38,361,777
NET ASSETS	36,761,531	38,361,777

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 2022

	2022	2021
	\$	\$
The Foundation General Fund		
Revenue		
Bequests, trust and special purposes	154,643	328,234
Ticketing, conferences and functions	20,482	-
Membership Fees	-	-
Interest income	10,055	9,651
Other Revenue	-	2,065
Total revenue	185,180	339,950
Expenditure		
Employee benefits expense	231,440	177,858
Supplies and Services	141,167	32,000
COVID-19 Stimulus	103,820	274,096
Accommodation expenses	916	12,353
Works of Art and related freight	18,708	47,682
Others	16,866	303
Total expenditure	512,917	544,292
Operating result	(327,737)	(204,342)
Opening balance of fund	2,826,419	3,030,761
Closing balance of fund	2,498,682	2,826,419
The Tomorrowfund		
Revenue		
Bequests, trust and special purposes	70,858	27,676
Dividend revenue	1,699,286	1,235,000
Interest income	87,632	73,242
Total revenue	1,857,776	1,335,918
Expenditure		
Supplies and Services	43,943	11,358
Works of Art and related freight	358,622	1,253,724
Elevate project	-	2,500,000
Change in share price	2,905,000	(4,745,000)
Total expenditure	3,307,564	(979,918)
Operating result	(1,449,788)	2,315,836
Opening balance of fund	33,219,215	30,903,379
Closing balance of fund	31,769,426	33,219,215

Statement of Comprehensive Income *for the year ended 30 June 2022 - Continued*

Simon Lee Foundation

Revenue

Bequests, trust and special purposes	135,000	
Sponsorship revenue	25,000	
Interest income	336	-
Total revenue	160,336	-

Expenditure

Employee benefits expense	87,488	
Supplies and Services	330,330	-
Others	10,000	-
Total expenditure	127,818	

Operating result	32,518	
Opening balance of fund	-	
Closing balance of fund	32,518	

The Living Centre Fund

Revenue

Membership pledges received	25	-
Interest income	707	592
Total revenue	732	592

Operating result	732	592
Opening balance of fund	182,569	181,977
Closing balance of fund	183,301	182,569

Contemporary Art Group

Revenue

Bequests, trust and special purposes	15,000	15,000
Interest income	362	318
Total revenue	15,362	15,318

Expenditure

Supplies and Services	15,925	3,820
Works of Art and related freight	15,000	15,000
Total expenditure	30,925	18,820

Operating result	(15,563)	(3,502)
Opening balance of fund	94,176	97,678
Closing balance of fund	78,613	94,176

Statement of Comprehensive Income *for the year ended 30 June 2022 - Continued*

Foundation Bequests

Revenue

Bequests received	-	100,000
Interest income	7,154	6,337
Total revenue	7,154	106,337

Expenditure

Works of Art and related freight	18,182	42,752
Total expenditure	18,182	42,752

Operating result	(11,028)	63,585
Opening balance of fund	1,949,124	1,885,539
Closing balance of fund	1,938,096	1,949,124

Exhibition Fund

Revenue

Bequests, trust and special purposes	171,500	14,500
Interest income	621	273
Total revenue	172,121	14,773

Expenditure

Supplies and Services	1,500	-
Contributions to the Art Gallery	-	-
Total expenditure	1500	

Operating result	170,621	14,773
Opening balance of fund	90,274	75,501
Closing balance of fund	260,895	90,274

Closing balance of capital funds	36,761,531	38,361,777
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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 2022*

	2022	2021
	\$	\$
Balance of equity at start of period	<u>38,361,777</u>	<u>36,174,835</u>
Surplus/(deficit) for the period:		
The General Foundation Fund	(327,737)	(204,342)
The TomorrowFund	(1,449,788)	2,315,836
Simon Lee Foundation	32,518	-
The Living Centre Fund	732	592
Contemporary Art Group	(15,563)	(3,502)
Foundation Bequests	(11,028)	63,585
Exhibition Fund	170,621	14,773
Total surplus for the period	<u>(1,600,245)</u>	<u>2,186,942</u>
Balance of equity at end of period	<u>36,761,531</u>	<u>38,361,777</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 2022*

	2022	2021
	\$	\$
Cash Flows From Operating Activities		
The General Foundation Fund		
Bequests, trust and special purposes	154,642	328,234
Ticketing, conferences and functions	20,482	-
Other Revenue		2,065
Expenditure	(512,917)	(544,292)
The TomorrowFund		
Bequests, trust and special purposes	70,858	27,676
Expenditure	(402,564)	(3,765,082)
Simon Lee Foundation		
Membership contributions	160,000	-
Payment to Art Gallery	(127,818)	-
The Living Centre Fund		
Membership contributions	25	-
Contemporary Art Group		
Bequests, trust and special purposes	15,000	15,000
Expenditure	(15,925)	(3,820)
Tom Malone Prize	(15,000)	(15,000)
Foundation Bequests		
Bequests received	-	100,000
Expenditure	(18,182)	(42,752)
Exhibition Fund		
Bequests, trust and special purposes	171,500	14,500
Net cash (used in) / provided by operating activities	(501,399)	(3,883,471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	95,160	105,622
Dividend revenue	1,699,286	1,235,000
Net cash provided by investing activities	1,794,446	1,340,622
Net increase in cash held	1,293,047	(2,542,849)
Cash at the beginning of the financial year	26,669,475	29,212,324
Cash at the end of the financial year	27,962,522	26,669,475

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 2022

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

As at 30 June 2022, there were approximately \$112,000 works of art approved for acquisition by the Board in June 2022 that 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 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 4,171 items, at a current insured value of \$35,214,176.

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 2022 and received the following remuneration for their services to the Art Gallery of Western Australia Foundation:

	2022	2021
	\$	\$
David Alder	nil	nil
Linda Bond	nil	nil
Paul Chamberlain	nil	nil
Janet Holmes à Court AC	nil	nil
Sarah D’Onofrio	nil	nil
Michela Fini	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. 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.