

**The Art Gallery
of Western Australia
Foundation**

**Financial Statements
2023 -24**

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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.

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Statement of Financial Position

AGWA

as at 30 June 2024

| | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Foundation Capital Funds | | |
| The Foundation General Fund | | |
| Donations received | 12,345,900 | 11,376,547 |
| Accumulated other net expenses | (11,717,499) | (9,685,540) |
| Foundation Operation Fund Transfer In | 73,589 | - |
| Total Acquisition fund | 701,990 | 1,691,007 |
| The TomorrowFund | | |
| Donations received | 7,274,882 | 7,220,942 |
| State Government contribution | 15,000,000 | 15,000,000 |
| Quoted investment FMG | 10,745,000 | 11,090,000 |
| Accumulated other net expenses | (21,911,587) | (20,927,147) |
| JBWere Investment Fund | | |
| Contributions from the Tomorrow Fund | 22,500,000 | 22,500,000 |
| Accumulated other net income/expenses | 2,986,207 | 911,167 |
| Total TomorrowFund | 36,594,502 | 35,794,962 |
| Simon Lee Foundation | | |
| Donations received | 591,500 | 400,000 |
| Accumulated other net expenses | (504,399) | (376,194) |
| Total Acquisition fund | 87,101 | 23,806 |
| Contemporary Art Group | | |
| Donations received | 534,926 | 534,926 |
| Accumulated other net expenses | (501,823) | (484,340) |
| Total Contemporary Art Group | 33,103 | 50,586 |
| Foundation Bequests | | |
| Bequests received | 2,359,754 | 2,359,754 |
| Accumulated other net expenses | (479,816) | (426,760) |
| Total Foundation Bequests | 1,879,938 | 1,932,994 |
| Exhibition Fund | | |
| Donations received | 681,650 | 552,550 |
| Accumulated other net expenses | (117,927) | (117,449) |
| Total Exhibition Fund | 563,723 | 435,101 |
| Total Foundation Capital Funds | 39,860,357 | 39,928,456 |

Statement of Financial Position

AGWA

as at 30 June 2024

Represented by:

CURRENT ASSETS

Cash and cash equivalents

3,963,294

5,761,433

NON-CURRENT ASSETS

TomorrowFund

Quoted investments FMG

10,745,000

11,090,000

JBWere Quoted investment

25,152,063

23,077,023

Total non current assets

35,897,063

34,167,023

TOTAL ASSETS

39,860,357

39,928,456

Statement of Comprehensive Income

AGWA

as at 30 June 2024

| | 2024 | 2023 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| The Foundation General Fund | | |
| Revenue | | |
| Bequests, trust and special purposes | 969,353 | 73,546 |
| Ticketing, conferences and functions | 9,750 | 36,554 |
| Sponsorship | 70,000 | - |
| Interest Revenue | 87,310 | 25,832 |
| Other Revenue | 8,680 | - |
| Total revenue | 1,145,093 | 135,931 |
| Expenditure | | |
| Employee benefits expense | 753,846 | 235,833 |
| Supplies and Services | 1,121,440 | 291,473 |
| Accommodation expenses | 8,109 | - |
| Freight | 59,457 | 42,618 |
| Interest Transfer | 101,176 | 550,000 |
| Other Expenses | 104,764 | 6,982 |
| Total expenditure | 2,148,792 | 1,126,907 |
| Operating result | (1,003,699) | (990,975) |
| Opening balance of Fund | 1,691,007 | 2,681,983 |
| Operation Fund Transfer In | 73,589 | - |
| Work of Art Expenses | 58,907 | - |
| Closing balance of fund | 701,990 | 1,691,007 |

Statement of Comprehensive Income

as at 30 June 2024

| The TomorrowFund | | |
|--|-------------------|-------------------|
| Revenue | | |
| Bequests, trust and special purposes | 53,940 | 18,525 |
| Dividend revenue | 1,478,296 | 980,000 |
| Interest Revenue | 294,576 | 195,299 |
| Total revenue | 1,826,812 | 1,193,823 |
| Expenditure | | |
| Supplies and Services | 11,350 | 25,572 |
| Freight | 83,998 | 378,883 |
| Change in share price | - | (2,325,000) |
| Interest Transfer | 404,920 | - |
| Dividend Transfer | 1,460,000 | - |
| JB Were Transfer | | 22,500,000 |
| Revaluation FMG Decrement | 345,000 | - |
| Total expenditure | 2,305,268 | 20,579,455 |
| Operating result | (478,456) | (19,385,632) |
| Opening balance of Fund | 12,383,795 | 31,769,426 |
| Work of Art Expenses | 797,044 | - |
| Closing balance | 11,108,295 | 12,383,795 |
| JB Were Investment Fund | | |
| Revenue | | |
| Dividend revenue | 448,396 | 17,184 |
| Interest Revenue | 497,829 | 361,134 |
| Gain on disposal of non-current assets | 26,049 | 559 |
| Revaluation Increment | 1,210,378 | 577,023 |
| Total revenue | 2,182,651 | 955,900 |
| Expenditure | | |
| Management Services | 107,611 | 44,733 |
| Total expenditure | 107,611 | 44,733 |
| Operating result | 2,075,040 | 911,167 |
| Opening balance | 23,411,167 | 22,500,000 |
| Closing balance | 25,486,207 | 23,411,167 |
| Closing balance of TomorrowFund | 36,594,502 | 35,794,962 |

Statement of Comprehensive Income

as at 30 June 2024

| Simon Lee Foundation Fund | | |
|--------------------------------------|------------------|------------------|
| Revenue | | |
| Bequests, trust and special purposes | 191,500 | 265,000 |
| Commonwealth Capital Grants | - | 35,000 |
| Sponsorship revenue | - | 15,000 |
| Interest Revenue | 4,562 | 1,010 |
| Total revenue | 196,062 | 316,010 |
| Expenditure | | |
| Employee benefits expense | 114,180 | 113,481 |
| Supplies and Services | 13,122 | 197,162 |
| Interest Transfer | 5,465 | - |
| Other Expenses | - | 14,079 |
| Total expenditure | 132,767 | 324,722 |
| Operating result | 63,295 | (8,712) |
| Opening balance of Fund | 23,806 | 32,518 |
| Closing balance of fund | 87,101 | 23,806 |
| Contemporary Art Group Fund | | |
| Revenue | | |
| Bequests, trust and special purposes | - | - |
| Interest Revenue | 423 | 738 |
| Total revenue | 423 | 738 |
| Expenditure | | |
| Supplies and Services | 883 | 6,866 |
| Freight | 4,197 | 21,899 |
| Interest Transfer | 726 | - |
| Total expenditure | 5,806 | 28,765 |
| Operating result | (5,383) | (28,027) |
| Opening balance of Fund | 50,586 | 78,613 |
| Work of Art Expenses | 12,100 | - |
| Closing balance of fund | 33,103 | 50,586 |
| Foundation Bequests Fund | | |
| Revenue | | |
| Bequests, trust and special purposes | - | - |
| Interest Revenue | 21,811 | 18,925 |
| Total revenue | 21,811 | 18,925 |
| Expenditure | | |
| Freight | 266 | 24,028 |
| Interest Transfer | 30,783 | - |
| Total expenditure | 31,049 | 24,028 |
| Operating result | (9,238) | (5,103) |
| Opening balance of Fund | 1,932,993 | 1,938,096 |
| Work of Art Expenses | 43,818 | - |
| Closing balance of fund | 1,879,937 | 1,932,993 |

Statement of Comprehensive Income

as at 30 June 2024

| Exhibition Fund | | |
|---|-------------------|-------------------|
| Revenue | | |
| Bequests, trust and special purposes | 129,100 | 273,400 |
| Interest Revenue | 2,851 | 806 |
| Total revenue | 131,951 | 274,206 |
| Expenditure | | |
| Supplies and Services | - | 100,000 |
| Interest Transfer | 3,329 | - |
| Total expenditure | 3,329 | 100,000 |
| Operating result | 128,622 | 174,206 |
| Opening balance of Fund | 435,101 | 260,895 |
| Closing balance of fund | 563,723 | 435,101 |
| | | |
| Closing balance of capital funds | 39,860,357 | 39,928,456 |
| | | |
| Total of Operation Result Profit/(Loss) | 770,181 | |

Statement of Changes in Equity

as at 30 June 2024

AGWA

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Balance of equity at start of period | 39,928,456 | 36,761,531 |
| Surplus/(deficit) for the period: | | |
| The General Foundation Fund | (1,003,699) | (990,975) |
| The TomorrowFund | (478,456) | (19,385,632) |
| (JB Were Investment Fund) | 2,075,040 | 23,411,167 |
| Simon Lee Foundation Fund | 63,295 | (8,712) |
| Contemporary Art Group Fund | (5,383) | (28,027) |
| Foundation Bequests Fund | (9,238) | (5,102) |
| Exhibition Fund | 128,622 | 174,206 |
| | | |
| Total surplus for the period | 770,181 | 3,166,924 |
| | | |
| Works of Art | 911,869 | - |
| Foundation Operation Fund Transfer In | 73,589 | - |
| | | |
| Balance of equity at end of period | 39,860,357 | 39,928,456 |

Statement of Cash Flow

as at 30 June 2024

AGWA

| | 2024 | 2023 |
|--|--------------------|------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| The General Foundation Fund | | |
| Bequests, trust and special purposes | 969,353 | 73,546 |
| Ticketing, conferences and functions | 9,750 | 36,554 |
| Sponsorship | 70,000 | - |
| Other Revenue | 8,680 | - |
| Foundation Operation Fund Transfer In | 73,589 | - |
| Expenditure | (2,075,203) | (576,907) |
| The TomorrowFund | | |
| Bequests, trust and special purposes | 53,940 | 18,525 |
| Dividend Revenue | 1,478,296 | 980,000 |
| Expenditure | (3,102,312) | (954,455) |
| Simon Lee Foundation | | |
| Bequests, trust and special purposes | 191,500 | 315,000 |
| Expenditure | (132,767) | (324,722) |
| Contemporary Art Group | | |
| Expenditure | (17,906) | (13,765) |
| Tom Malone Prize | - | (15,000) |
| Foundation Bequests | | |
| Bequests, trust and special purposes | - | - |
| Expenditure | (74,867) | (24,028) |
| Exhibition Fund | | |
| Bequests, trust and special purposes | 129,100 | 273,400 |
| Expenditure | (3,329) | (100,000) |
| Net cash (used in) / provided by operating activities | (2,422,176) | (311,851) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| JBWere Investment Fund | | |
| Dividend revenue | 448,396 | 17,184 |
| Interest Revenue | 497,829 | - |
| Gain on disposal of non-current assets | 26,049 | 559 |
| Expenditure | (107,611) | (44,733) |
| Interest Revenue | 411,533 | 567,069 |
| Net cash provided by investing activities | 1,276,195 | 540,079 |
| Net increase in cash held | (1,145,981) | 228,228 |

The Art Gallery of Western Australia Foundation

Notes to and forming part of the Accounts for the year ended 30 June 2024

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 2024, there were 58 works of art with a current collective value of approximately \$1,141,267 approved for acquisition by the Board. Several works acquired in June 2024 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 4,262 items, at a current insured value of \$35,635,638.

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 **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 2024 and received the following remuneration for their services to The Art Gallery of Western Australia Foundation:

| | 2024 | 2023 |
|----------------------|------|------|
| | \$ | \$ |
| David Alder | nil | nil |
| Paul Chamberlain | nil | nil |
| Sarah D’Onofrio | nil | nil |
| Mario D’Orazio | nil | nil |
| Randal Humich | nil | nil |
| Janet Holmes à Court | 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.