

Art Gallery of New South Wales Foundation
Annual Report **2007-08**



Art Gallery of NSW Foundation Annual Report 2007-08

Front cover:

Antony Gormley, *Haft 2007* (detail), mild steel blocks, 165 x 48 x 60 cm. Art Gallery of NSW Foundation Purchase 2008 © Antony Gormley

Back cover:

David Hockney, *A closer winter tunnel*, February–March 2006, oil on canvas, 6 panels, 190.5 x 381 cm overall. Purchased with funds provided by Geoff and Vicki Ainsworth, the Florence and William Crosby Bequest and the Art Gallery of NSW Foundation 2007 © David Hockney

Sidney Nolan, *Hare in trap* 1946, Ripolin enamel on hardboard, 90.5 x 121.5 cm. Purchased with funds provided by the Nelson Meers Foundation, the Margaret Hannah Olley Art Trust, and the Art Gallery of NSW Foundation 2007 © The Trustees of the Sidney Nolan Trust

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FOUNDATION

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Art Gallery of NSW Foundation

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Mr Brian France AM
Dr Mark Nelson
Mr Julien Playoust

Director's statement

Looking back over the years, I cannot recall one in which the Foundation has been quite so active and ambitious as this past year. Appropriately, in its 25th year, the Foundation has supported three major acquisitions and laid the foundations (sic) for the acquisition of a lifetime: Paul Cézanne's *Bords de la Marne* c1888. What better way to celebrate 25 years of achievement than by bringing to the walls of our Gallery such a superb, classic and enduring painting by the acknowledged 'father of modern art'? As the 2007–08 year closes, the long-held ambition of the Gallery to acquire a significant and characteristic painting by Cézanne is fast becoming a reality, and it is the Foundation that is underwriting this momentous acquisition. The special fundraising campaign proceeds with a vigour and enthusiasm that is amply reflected in the fantastic support of our benefactors and supporters.

As I write, we are well into that campaign; the first payment has been made and the picture hangs on the walls of court 10 in the Old Courts with quiet and impressive certainty. It looks completely at home. Much has already been written about the painting, but at the moment it is still an acquisition in progress and I will, therefore, leave a fuller discussion on the work to next year's report. I suspect that there may well be little else to write about next year, as the Foundation and the entire family of Gallery supporters are dedicated to helping fund this purchase.

The first of the three major acquisitions for 2007–08, Sidney Nolan's *Hare in trap* 1946, was identified as a desirable acquisition for our still-evolving Nolan collection. For some years, with the wonderful and continuing support of the Nelson Meers Foundation, the Gallery has been refining its representation of the artist whom I personally regard as the most significant in the history of 20th-century Australian art. Since that revealing re-hang of the Gallery's Australian collection under the title *Australian icons* in the year 2000, which demonstrated the shortcomings of our Nolan collection at the time, we have added no less than ten significant and sought-after works, but also edited that representation with a number of de-accessions.

The Nelson Meers Foundation, together with the Margaret Hannah Olley Art Trust and the Foundation, provided the funds

to purchase *Hare in trap*. While all Nolan's paintings have the power and authority of autobiography about them, this work adds to this a particular poignancy. Therein lies its captivating potency – those startling blue eyes of the hare in full flight may, in Nolan's words, have been those of his father; and yet they may too have been Sid's own eyes as he sought to disengage from the domestic encirclement of the Reed family. In that quest, perhaps he could see himself suffering injuries like the poor hare with its bloodied legs. It is a painting full of inference and intrigue; it is quintessential Nolan.

The second acquisition which the Foundation supported during the year, along with immensely generous contributions from Geoff and Vicki Ainsworth and the bequest of Florence and William Crosby, was David Hockney's *A closer winter tunnel, February–March* 2006. This I have discussed at greater length in the Gallery's annual report; suffice to say that I consider this to be a painting of sustained and affirming satisfaction. It is a spirited and enhancing celebration of the Yorkshire landscape totally devoid of any tutoring, didacticism, pedagogy or doctrine. It is a symphonic presentation of the raw landscape.

Theory, however, resonates in the third acquisition, fully funded by the Foundation: Antony Gormley's fascinating sculpture *Haft* 2007. The body, both revealed and conjectural, is Gormley's territory. Whether the image of the human figure is really in need of further philosophical investigation, attention or revitalisation may be debatable; that Antony Gormley has done so is beyond question. The human mind and the human body are veritable warehouses of information, feeling, memory, experience and aspiration, but that mind also harbours our indelible human instinct for progress, that feeling for the bit beyond, that sense of something we know is there but cannot quite see or grasp, that last fragment of experience or comprehension, or that moment of intuition that may well make sense of it all.

This is a vision, it seems to me, that Gormley shares with a predecessor, Giacometti, for however relentlessly massaged and manipulated his figures were they were forever incomplete, journeys never quite concluded, missions on the cusp of fulfilment. There is that same sense of expectation. The works of both sculptors give shape and form

to that condition of the incomplete, to that conceptual space which is just beyond our reach even though we know it is there. No artist has so methodically explored this territory with such material presence as Antony Gormley. While his works may, like *Haft*, appear silent and fabricated sentinels, they are for me physical manifestations of an inner self and, perhaps more significantly, of the urgency that lies within that self.

Earlier in the year, Gormley had a large and successful exhibition at London's Hayward Gallery, which demonstrated powerfully his quest for exploring the inner nature of the human psyche but turning that exploration into tangible form or experience. Most fascinating of all the works in that show, I found, were those that were not actually within the gallery but outside. Some 30 life-size replicas of the artist's body were placed, precariously, on the tops of buildings, and on pediments and ledges just within eyeshot of the gallery. You had to scan the horizon to glimpse those disconcerting figures, keeping a silent watching brief, but perhaps because of their seeming vulnerability, like figures about to leap into the abyss, one felt a certain rapport with them. Again they seemed to carry that instinct for a condition perceived but not grasped.

Thus the year has been distinguished with three splendid if very different acquisitions which fulfil the objectives of the Foundation – to bring great works of art that would be otherwise unattainable to our collections.

My thanks to the chairman of the Foundation, Rowena Danziger AM, and to all her fellow trustees who work so hard for the Gallery and who furthermore offer their personal financial support with unstinting generosity; and within the Gallery our thanks to Jane Wynter and her staff who maintain and grow the Foundation with such spirit and success. How bereft of great works of art we would be without the Foundation. No Kirchner, or Beckmann, or Bronzino, or Twombly, or Giacometti, among others – it doesn't bear thinking about.

Edmund Capon AM OBE
Director, Art Gallery of NSW
13 November 2008

Chairman's report

I am pleased to report that the Art Gallery of NSW Foundation has had a remarkably successful year as it celebrates its 25th year in operation.

Celebrations and acquisitions

In November 2007 a gala dinner was held at the Gallery with the funds raised being put towards a major acquisition of a Sidney Nolan painting *Hare in trap* 1946. I would like to thank the many Foundation members who attended the dinner and enabled this purchase to proceed and of course the Nelson Meers Foundation and Margaret Olley who made significant contributions towards this acquisition. The Gallery's Head curator Australian art, Barry Pearce, described this work as one of the artist's most significant masterpieces.

During the year, the Foundation contributed to a major acquisition by David Hockney *A closer winter tunnel February–March* 2006. This was a major work which was jointly funded by the Geoff Ainsworth, a Foundation trustee and his wife Vicki, the Florence Crosby Mae bequest and the Foundation. The Foundation also contributed the funds to purchase a sculpture *Haft* 2007 by Antony Gormley.

You may recall, last year, I talked of a proposal to acquire a half share in Tom Roberts' *Mosmans Bay* which is part of the Hinton Bequest and held by the Armidale and Dumaresq Council at the New England Regional Art Museum (NERAM). Sadly this was not to be as NERAM declined the Gallery's proposal which would have meant significant financial and curatorial support in return for shared ownership of the work. On a brighter note however, I am pleased to say the donors have been very happy to support an alternative and we have identified a masterpiece, which I will tell you more about later in the report.

Donations and bequests

I am also pleased to advise that the Foundation received \$4.3 million being the proceeds from the sale of the property from the *Yvonne Buchanan May* bequest. This as you would expect has made an immense difference to the Foundation's funds. The Gallery has in accordance with Miss May's wishes established a \$200 000 fund to acquire a work to the value of about \$10 000 each year in honour of her mother *Kathleen Buchanan May*. May I express our thanks for the generosity of the

benefactor and to her family, for their support throughout the process of finalising her estate.

Over the last five years we have received over \$7.5 million from bequests which has enabled the Foundation to grow so significantly.

During the year we lost our dear friends and past trustees and benefactors Max Sandow AM and Kim Santow AO. We owe a lot to these early supporters of the Foundation who provided the base leading to its subsequent success.

Financial matters

The Foundation has grown to \$28.3 million net worth at 30 June 2008 which is a staggering 57% (\$10 million) over the last five years of its 25 year history. This is in addition to over \$9 million of contributions to art acquisitions over this same five year period.

Unfortunately the equity markets had a severe downturn this year and it has not yet abated. The Foundation has three major investment classes namely cash deposits, listed securities and managed funds which provide a diversified portfolio. It is monitored by our expert Finance Committee, comprising Jillian Broadbent (Chair), Geoff Ainsworth, Brian France, Mark Nelson and Julien Playoust. During the year the Finance Committee reviewed the portfolio and concluded that it is appropriate to maintain the current investments. Our portfolio with over two-thirds in cash and interest-based securities has minimised the impact of the market fall. It is not clear at this stage how the markets will fare over the next few months, and a further deterioration may impact the capital value of the fund. Nevertheless the Finance Committee are confident that the portfolio is sound and will hold us in good stead to get through this volatile period.

The year ahead

At the time of writing this report the Gallery had announced the major acquisition of a painting by Paul Cézanne *Bords de la Marne* c1888, at a cost of \$16.2 million. This acquisition celebrates both the 30th anniversary of the director's leadership of this Gallery and the Foundation's 25th anniversary. A major fundraising campaign was undertaken with all manner of Gallery supporters contributing to it. I am immensely proud of our Foundation trustees who lead the way with personal contributions. As well, the Foundation

itself has agreed to both support the work with a commitment to contribute \$5 million of past and future earnings and to underwrite the purchase. This is the most ambitious fundraising project undertaken by the Gallery to date and the whole Foundation board are convinced that this is what is required to acquire a truly iconic masterpiece for the Gallery.

Thanks

On behalf of the Foundation trustees, I would like to thank the former premier Hon Morris Iemma and welcome the new Premier Hon Nathan Rees and look forward to his support. I would also like to thank the Foundation's patron, Her Excellency Professor Marie Bashir AC CVO, Governor of the State of New South Wales, for her interest and support during the year.

I would also like to thank the other trustees, Jillian Broadbent AO (deputy chairman), Geoffrey Ainsworth, Michael Feneley, Brian France AM, Fraser Hopkins, Catriona Mordant, Mark Nelson, Julien Playoust, Reg Richardson AM, Susan Rothwell, Denyse Spice, Peter Weiss AM, and Ray Wilson OAM. The success of the Foundation would not be possible without their continuing dedication and support.

The achievements of the Foundation are made possible by the enthusiasm, energy and very hard work of benefaction staff Jane Wynter, Fiona Barbouttis and Lesley Andersen and the financial and administrative support of Rosemary Senn and Jackie Bullions. The drive and inspiration comes from our director Edmund Capon who continues to transform our Gallery into a temple of delight – he has our gratitude and thanks.

Thank you to all our supporters. Your understanding of our cause, and your help to achieve it, has helped to make not just the Gallery but Sydney a better place. Let us aim for new heights in 2009.

Rowena Danziger AM
Chairman
1 October 2008

Five-year summary

	2003-04	2004-05	2005-06	2006-07	2007-08
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Performance

\$'000					
Donations	572	367	441	443	451
Bequests	1,007	1,715	35	402	4,377
Net investment income	1,810	2,388	3,046	3,295	(948)
Art acquisitions (for Art Gallery of NSW)	(727)	(2,810)	(2,000)	(2,072)	(1,595)
Expenses	(20)	(18)	(6)	(7)	(7)
Surplus	2,642	1,642	1,516	2,061	2,278

Major bequests: \$4.3m Yvonne Buchanan May \$2.4m Mary Heseltine, \$1.1m Mary Tancred and \$1.5m Walter Hartwig.

Investment returns were negative in 2007-08 due to downturn in general equity markets.

Contributions in 2007-08 for Art Gallery of NSW:

- David Hockney, *A closer winter tunnel*, February-March 2006
- Antony Gormley, *Haft* 2007
- Sidney Nolan, *Hare in trap* 1946

Net worth \$28.3m; 57% growth over five years.

Balance Sheet

as at 30 June \$'000					
Cash/term deposits	3,017	5,623	4,357	5,783	13,114
Net receivables (payables)	18	(795)	1,272	1,459	633
Listed securities	7,847	7,834	7,751	7,533	6,073
Managed funds	9,980	9,828	10,626	11,292	8,525
NET WORTH	20,862	22,490	24,006	26,067	28,345
Represented by:					
Capital funds	18,888	20,970	19,968	20,813	25,641
Accumulated surplus (deficit) & reserves	1,974	1,520	4,038	5,254	2,704

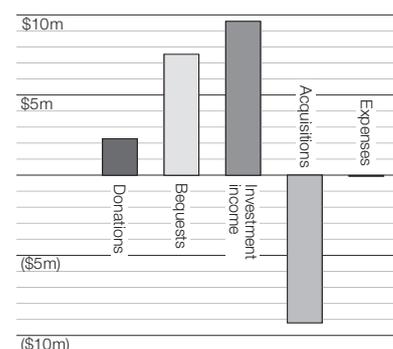
Investment Returns

Term deposits/cash	5.2%	5.5%	5.8%	6.5%	7.7%
Managed fund	13.1%	15.3%	22.5%	21.9%	-17.7%
Listed securities	8.8%	6.8%	6.1%	6.7%	1.2%
TOTAL ALL SECURITIES	9.9%	11.0%	13.3%	13.2%	-3.5%
Average investment value \$'000	19,437	21,675	22,847	25,041	27,369

Note: These tables have not been subject to audit.

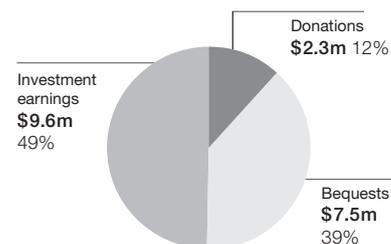
Revenues and expenditures

Over five years



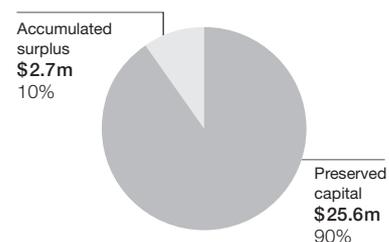
Revenue

\$19.4m over five years



Net worth

\$28.3 million at 30 June 2008



Foundation supporters

As at 30 June 2008

Supporters of the Art Gallery of NSW Foundation are divided into categories determined by the amount donated. The categories and the amounts required per category are as follows:

From 1983 to 1994 the categories were: Founder Benefactors; Governors; Fellows; and Members

From 1994 to 2006 the categories were:

Life Benefactor
\$1 million+
Benefactor
\$200 000 up to \$1 million
Governor
\$50 000 up to \$200 000
Fellow
\$20 000 up to \$50 000
Donor
\$10 000 up to \$20 000
(category added 2005)
Member
\$6000* up to \$10 000
* increased from \$5000

From 2007 to date the categories are:

Life Benefactor
\$5 million or more
Gold Benefactor
\$1 million up to \$5 million
Benefactor
\$500 000 up to \$1 million
Governor
\$100 000 up to \$500 000
Fellow
\$50 000 up to \$100 000
Donor
\$20 000 up to \$50 000
Member
\$6000 up to \$20 000

Senior level membership 1983–94

FOUNDER BENEFACTORS

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Government of the State of New South Wales
Vincent Fairfax Family Foundation
Mr C Lloyd Jones CMG
Mr & Mrs E P T Simpson
Westfield Holdings Ltd
Westpac Banking Corporation

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Ampol Ltd
ANZ Banking Group Ltd
Australian Consolidated Press
The Australian Gas Light Company
Bond Street City Freeholds Ltd
Boral Ltd
BP Australia Ltd
Castlemaine Tooheys Ltd
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1994 to date

(excluding Members who have not supported the Foundation in recent years)

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 John & Rosemary Clarke
 Juliet Clarke
 David and Anna Cleary
 Jillian A Cobcroft
 Richard Cobden
 Dr Gianni & Mrs Elena Cocco
 Margarita Playoust Colley
 Cheryl Collins
 Simon and Roberta Collins
 Peter & Gail Comino
 Susan Conde
 Joan R Connery OAM
 Maxwell J Connery OAM
 Melinda Conrad & David Jones
 Alan Cooley
 Peter & Helene Coombes
 Geoffrey Cousins and Darleen Bungey
 Dr Maria Craig & Mr Richard Bornman
 Rear Admiral Ian Crawford AO, AM (Mil) & Mrs Catherine Crawford
 Frank & Joan Croll
 Angelo & Erenie Crones
 Elinor Crossing
 Peter & Sally Crossing
 Charles P Curran AO
 Prof Noel & Adrienne Dan
 Sally Dan-Cuthbert
 Alexandra Darling
 Brian & Yvonne Davidson
 Sandy & Jane Dawson
 Peter & Deborah Debnam
 Robert Dein
 John & Helen Denoon
 Sandra Di Bella
 The Dickerson Family
 Collette Dinnigan
 James & Suzanne Dominguez
 Barbara & Andrew Dowe
 Stella Downer
 Camilla Drover
 Michael L Duigan
 The late Mrs IG Dulieu
 John & Jill Dunlop
 Anita & Don Dunn
 Sue & Colin Dunston
 Juliet Dunworth
 Carmel Dwyer & Charles Leedman
 Matthew Dysart (in memory of)
 Max & Sandra Eady
 Lynda & Jim Eager
 Karen Eck
 Carol & Ted Edwards
 Donald Elley
 Robert Elliott & Elizabeth Russell
 Peter English & Fiona McIntosh
 James & Jacqui Erskine
 Janet Espie
 Carole & Brian Ettelson
 Bill Evans
 Ruth Faerber
 Brendan Fahey
 Lady Mary Fairfax AM, OBE
 Dr Donald K Faithfull
 Tony & Amelia Fay
 Peter Fay
 Robert Felton
 Nikki Fesq
 Anne- Marie Feyer
 Vicki Grace & Phil Fiebig
 Jean Findlay
 Chris & Anne Finn
 John Firth-Smith & Danelle Bergstrom
 Erin Flaherty
 The Florin Family
 Barbara Flynn & William Grounds
 Sandra Forbes & Robert Farrar
 Roslyn Forrest
 The Freedman Foundation
 John Frey
 Jim & Judy Friend
 Anne Fulwood
 Mr Lucio Galletto
 Maria & Gordon Galt
 Sally Garrett
 Marea Gazzard AM
 Getty Images
 Jilly & Mike Gibson
 Donald & Rosita Gibson
 Belinda Gibson
 James & Robin Patricia Giffen
 Suzanne Gleeson
 Barry & Katherine Goldman
 Robert Gould
 Gill Green
 Julie Green
 Bill & Anne Gregory
 Anna-Maryke & Tony Grey
 Randolph & Amanda Griffiths
 Julian & Stephanie Grose
 Kylie Thurston Grosser & Tim Grosser
 Sophie Guest
 Callie Guinness
 Bill & Kate Guy
 Damian Hackett & Michelle Holmes-Hackett
 Indranil Halder & Jane Wilkins
 Ken & Di Handley
 John Hanlon
 Antonia & Con Haralambis
 Nicholas Harding
 Sally Hardy
 Wendy Hardy
 James Harker-Mortlock
 Amanda Harkness
 Elizabeth Hastings
 Michael Hawker
 Evelyn Hawkins
 Eric Hawley & Glen Weston
 Lesley Heath
 Michael Hedger
 Page Henty
 Diana Herring
 Diana Herring
 Hal Herron
 Peter H Hesky
 Sarah Hetherington

Sue Hewitt	Timothy Klingender	R P Meagher
Catherine Hickson	Holly Kramer & Malcolm Noad	Odetta Medich
John & Catherine Higgins	Mr & Mrs Gilles Kryger	Paul & Gráinne Meehan
Lachie Hill	Ian & Sue Lancaster	Brian & Lorna Mellor
Stephen Hill (in memory of)	Dr William Land AM	Stephen Menzies
James Hill	Eleanor Langford	Tino Mercado
Winifred Hinds	Annette Larkin	Warwick & Suzanne Miller
Kate Hodgkinson & Frank Hodgkinson (in memory of)	Chloris Latham	Paul Milliss
Malcolm and Helen Holmes	Charles Latimer	Russell Mills
Janie Holyman	Robert Lavigne	Dr Margaret Mills
Maria Teresa Savio Hooke	Dr L Lawrence	Mr R H Minter
Andrew L Horsley	Neil & Caroline Lawrence	Alberto Modolo OAM
Louise Horsley	John Laws CBE & Caroline Laws	MOP Projects
Bruce & Carolyn Hudson	Bernard & Linna Le Boursicot	Joanna Morrison
The Hon TEF Hughes AO, QC & Mrs Hughes	Edith Lees	Alf Moufarrige
Richard Hunt	Professor Michel Lefebvre	Brian & Jocelyn Munday
Roslyn & Alex Hunyor	Therese Leuver	Kingsley Munday
W. Nevin Hurst	Harvey Light	Barry & Elizabeth Murphy
Mrs HW Hutchinson	Robert Linnegar & Randi Linnegar	Elizabeth Murray
T & D Hyde Page	Juliet Lockhart	Mrs TA & Mr J D Murray-Jones
Annamaria Hynes	Bob & Eleni Longwell	Michael Musgrave
Diane Ipkendanz	Amanda Love	Dr Desmond and Suzanne Nasser
Rex Irwin	Dr Kathryn Lovric	Kazuko Nelson
Ted & Cynthia Jackson	Tom & Sylvia Lowenstein	Dr Warwick Nettle & Mimi Verlaine Nettle
Ken & Louise Jacobs	David & Sue Lowes	Bruce & Lynne Newey
Pamela Jennings	Richard Lubner	Dr Clinton Ng
Adam & Jilly Johnson	Gary & Susan Ma	Kerry Nicholson
Robert Johnson	Anni Macdougall	Carmel Niland AM
Rainbow Johnson	David Maloney	Nomadic Rug Traders
Michael & Margot Johnson	J & A Mandelson	William Nuttall & Annette Reeves
Ian Johnston	Sarah Mandelson & Richard Single	Rory, Zena & Lucy O'Connor
Amanda Johnstone & David Cowling	Richard Mann & Mary Curtis	Alec O'Halloran & Helen Zimmerman
Dr Ross Jones	Joy & Harold Marchant	Tim Olsen
Erika Jumikis	Eugene & Joanne Marchese	John Olsen AO OBE
Naomi Kaldor	Pierre Marecaux & Ken Thompson	Janette O'Neil
Vasili Kaliman	Scott Marinchek & Daniel Valawink	Antonia O'Neill
Peter Kampfner	Bert & Diana Marks (in memory of)	Pieter & Elizabeth Oomens
Dr Dominic H Katter	F & M Martin	Marianna & Tony O'Sullivan
Mary Kavanagh	Richard & Maryanne Martin	Roslyn & Tony Oxley
Carolyn Kay & Simon Swaney	Alexandra Martin	Lesley O'Shea & Joseph Penn
C. John Keightley	Sally Marwood Cullen	Diana Polkinghorne
Barry Keldoulis	Brenda & Robert May	Belinda Pulver
David Kelly & Aynsley Cameron	John McBride	Philip Ramsden
Mrs Suzanne Kelly	Mrs Marie McCann OAM	Helen Read
Nick & Susie Kelly	Mark & Roslyn McCulloch	Brad & Lisa Rees
Christina Kennedy	Frank McDonald	Alison Renwick
Susie & Ian Kennedy	Mary-Rose McDonald	John & Dianne Riedl
David S Kent	R McDonald Luger	Mary Ann Rolfe
Lesley Kernaghan	Jan McGovern	Pam & Mark Rudder
Richard King	Susan & David McGrath	Louise & Jonathon Rust
David Kinniburgh & Jane Douglas- Kinniburgh	Roger McIlroy	Terry & Judith Salmon
Alexandra Kinross	Helen McKenzie	Kelly Salteri
James & Susan Kirby	Andrew & Abbey McKinnon	Margaret & Victor Sammut
Anna-Lisa Klettenberg	Lady McMahan	Mark & Ruth Sampson
	Dr Stephen McNamara	Ruth Sams
	Tony & Fran Meagher	Mr & Mrs C G Samuelson

Peter & Christa Satouris	Kevin & Dawn Troy
Mrs Alfred Saunders	Helen Tsoukaris
Robert & Mitzi Saunders	Urban Art Projects
Denis Savill	Akky & John van Ogtrop
Alysoun Schoer	Edward & Morna Vellacott
Pamela Schüttler	Mrs F G D Voss
Anna Schwartz	Eugenie Vrisakis
Lilli Scott	Wagner Art Gallery
Mr John Terrill Scott	Kristina Walker
Annette Searle	Philippa Warner
John Roth & Jillian Segal	Suzanne A R Waterhouse
Morna Seres & Ian Hill	Shirley Watkins
Bernard Shafer in memory of Anna Shafer	Gail Watt
Dr John and Mrs Robin Shand	John J Webster SC
Mr & Mrs Andrew Shapiro	Roslyn E Weiley
Dr Philip Sharp	Janine Weir
Vivienne Sharpe	Joy Elizabeth Wennerbom
Mandy & Oliver C Shaul OAM	Mr & Mrs Morris L West
Neville Spry & Susan Shehadie	Craig Westgate
Mrs Helen Showniruk	Michael Bryan Wheeler
Patrick & Gabriella Simpson	Ivan and Karel Wheen
Janice and Bruce Simpson	The Edmund & George Whitlock Foundation
Fiona Sinclair King	Greg & Karen Whittred
Janet E Single	Michael Whitworth & Dr Candice Bruce
Pat & Derek Smith	Sarah J Whyte
Jane Stark	Drs Eva & Heinz Wicki
Ross Steele AM	Dr Ian Wilcox
Rebecca Stehli	Mr David Wilkenfeld
Peter & Suzanne Steigrad	Julie Williams
Dr Miriam & Mr Les Stein	Robert H Williams
David & Nikki Stein	Chris and Judi Wilson
Mr & Mrs GV Stewart	Sophia Wilson
Brett Stone & Mark Cowley	Donna Woodhill
Tim Storrer	Margaret Woodward
John & Jo Strutt	Larry & Patricia Wyner
Bruce and Jennifer Stuckey-Clarke	Tohr & Marianne Yamaguchi
Sullivan+Strumpf Fine Art Pty Ltd	Susan Yates
Sutton Gallery	Dr Ling Yoong
John D Swainston	Corinne & John Young
Georgie Swift	
Yosi & Derryn Tal	
Howard Tanner	
Victoria Taylor	
Georgie Taylor	
Ian & Diana Temby	
Bhupen Thakker	
thirtyseven degrees CFLAG	
Jeanette C Thomas	
Amanda Tierney	
Imants Tillers	
Mrs W J Tilley	
Tolarno Galleries	
Aida Tomescu	
Isolde Tornyá	
Elizabeth Tregoning	
Michael & Eleonora Triguboff	

Art Gallery of NSW Foundation Financial statements 07–08

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT
Art Gallery of New South Wales Foundation

To Members of the New South Wales Parliament

Report on the Financial Report

I have audited the accompanying financial report of the Art Gallery of New South Wales Foundation (the Foundation), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Directors' statement.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Foundation as at 30 June 2008, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- is in accordance with the *Charitable Fundraising Act 1991* (CF Act) and the Charitable Fundraising Regulation 2003 (CF Regulation), including showing a true and fair view of the Foundation's financial result of fundraising appeals for the year ended 30 June 2008

My opinion should be read in conjunction with the rest of this report on the financial report.

The Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the CF Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Foundation,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- that the Foundation has complied with requirements and conditions of the CF Act, and CF Regulation that do not relate to the preparation and presentation of the financial report.

Report on Other Aspects of the Charitable Fundraising Act 1991

In addition, I have audited the Foundation's operations in order to express an opinion on the matters specified at sections 24(2)(b), 24(2)(c) and 24(2)(d) of the CF Act for the year ended 30 June 2008.

Auditor's Opinion

In my opinion:

- the Foundation has properly kept the ledgers and associated records during the year ended 30 June 2008 in accordance with the CF Act and CF Regulation (section 24(2)(b) of the CF Act)
- the Foundation has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 30 June 2008 in accordance with the CF Act and the CF Regulation (section 24(2)(c) of the CF Act)
- there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (section 24(2)(d) of the CF Act).

My opinion should be read in conjunction with the rest of this report, including the inherent limitations.

The Directors' Responsibility under the CF Act

The Directors are responsible for complying with the requirements and conditions of the CF Act and CF Regulation. This responsibility includes establishing and maintaining internal controls over the conduct of all fundraising appeals; ensuring that all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for; and maintaining proper books of account and records.

The Directors are also responsible for ensuring that the Foundation will be able to pay its debts as and when they fall due.

Auditor's Responsibility

My responsibility is to express an opinion on the matters specified at sections 24 (2)(b), 24 (2)(c), and 24 (2)(d) of the CF Act. I conducted my audit in accordance with applicable Australian Auditing Standards and standards on assurance engagements to obtain reasonable assurance whether the Foundation has, in all material respects, complied with specific requirements of the CF Act and CF Regulation, and whether there are reasonable grounds to believe the Foundation will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (future debts).

An audit involves performing procedures to obtain audit evidence about the entity's compliance with the CF Act and CF Regulation and its ability to pay future debts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material breaches of compliance and inability to pay future debts. In making those risk assessments, the auditor considers relevant internal controls in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

My procedures included obtaining an understanding of the internal controls structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Foundation's compliance with specific requirements of the CF Act and CF Regulation, and assessing the reasonableness and appropriateness of management's assessment regarding the Foundation's ability to pay future debts.

Inherent Limitations

Because of inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the CF Act may occur and not be detected. My procedures have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered all requirements of the CF Act and CF Regulation.

Any projection of the evaluation of compliance with the CF Act to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Whilst evidence is available to support the Foundation's ability to pay future debts, such evidence is future orientated and speculative in nature. As a consequence, actual results are likely to be different from the information on which the opinion is based, since anticipated events frequently do not occur as expected or assumed and the variations between the prospective opinion and the actual outcome may be significant.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Peter Carr
Director, Financial Audit Services

20 October 2008
SYDNEY

Director's statement

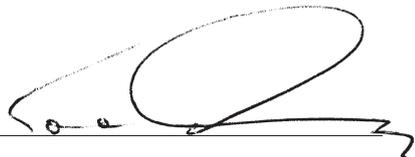
For the year ended 30 June 2008

STATEMENT IN ACCORDANCE WITH SECTION 41C (1C) OF THE PUBLIC FINANCE AND AUDIT ACT 1983

Pursuant to Section 41C (1C) of the *Public Finance and Audit Act 1983* and the *Charitable Fundraising Act 1991* and in accordance with a resolution of the Board of Trustees of the Art Gallery of NSW Foundation, we state that:

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005, applicable Australian Accounting Standards and the Treasurer's Directions;
- (b) In our opinion, the financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2008 and the financial performance for the year then ended;
- (c) The provisions of the *Charitable Fundraising Act 1991*, the regulations under the Act and the conditions attached to the Foundation have been complied with;
- (d) In our opinion, the financial statements gives a true and fair view of all income and expenditure with respect to fundraising appeals;
- (e) The balance sheet gives a true and fair view of the state of affairs of the Foundation with respect to fundraising appeals; and
- (f) The internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.

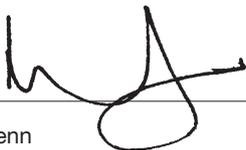
Further, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



R Danziger
Chair
Art Gallery of NSW Foundation



E Capon
Director
Art Gallery of NSW



R Senn
Secretary AGNSW Foundation
and Assistant Director,
Finance & Resources AGNSW

Dated: 13 October 2008

Income statement

For the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Income			
Donations and bequest	3(a)	4,828	845
Investment income	3(b)	(948)	3,295
Total income		3,880	4,140
Expenses			
Contributions to AGNSW	2(a)	1,595	2,072
Operating expenses	2(b)	7	7
Total expenses		1,602	2,079
SURPLUS FOR THE YEAR		2,278	2,061

Statement of recognised income and expense

For the year ended 30 June 2008

Surplus for the year		2,278	2,061
TOTAL INCOME AND EXPENSES RECOGNISED FOR THE YEAR	8	2,278	2,061

The accompanying notes form part of these statements

Balance sheet

As at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	13,114	5,783
Trade and other receivables	5	640	1,466
Total current assets		13,754	7,249
Non-current assets			
Financial assets at fair value through profit and loss	6	14,598	18,825
Total non-current assets		14,598	18,825
TOTAL ASSETS		28,352	26,074
LIABILITIES			
Current liabilities			
Trade and other payables	7	7	7
TOTAL LIABILITIES		7	7
NET ASSETS		28,345	26,067
EQUITY			
Accumulated funds	8	28,345	26,067
TOTAL EQUITY		28,345	26,067

The accompanying notes form part of these statements

Cash flow statement

For the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Donations and bequests received		4,828	845
Investment income received		3,105	2,507
Total receipts		7,933	3,352
Payments			
Contributions and other expenses paid		(1,602)	(2,079)
Total payments		(1,602)	(2,079)
NET CASH FLOWS FROM OPERATING ACTIVITIES		6,331	1,273
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds of sale of investments		1,000	1,150
Purchase of investments		–	(997)
NET CASH FLOWS FROM INVESTING ACTIVITIES		1,000	153
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,331	1,426
Opening cash and cash equivalents		5,783	4,357
CLOSING CASH AND CASH EQUIVALENTS	4	13,114	5,783
RECONCILIATION OF SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		2,278	2,061
Unrealised/realised losses(gains)/diminution reversed		3,227	(601)
Decrease/(Increase) in trade and other receivables		826	(187)
Net cash flows from operating activities		6,331	1,273

The accompanying notes form part of these statements

Notes to and forming part of the financial statements

for the year ended 30 June 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) Reporting entity

The Art Gallery of New South Wales Foundation was constituted by Trust Deed executed on 23 August 1982. The Foundation comprises all operating activities under the control of the Trustees of the Foundation. The Foundation operates one program to raise donations, invest the capital and apply the income derived from such investments to the acquisition of works of art for the Art Gallery of New South Wales (AGNSW). It is a not-for-profit entity and has no cash generating units.

The Foundation hold authority number CFN18151 to fundraise under the provisions of the Charitable Fundraising Act, 1991 (NSW).

The financial report has been authorised for issue by the Board on 13 October 2008.

(b) Basis of preparation

The Foundation's financial report is a general purpose financial report, which has been prepared in accordance with:

- applicable Australian Accounting Standards; and
- the requirements for the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2005.

Financial assets at 'fair value through profit or loss' are measured at fair value. Other financial report items are prepared on an accrual basis and based on historical costs.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards and interpretation. The Foundation has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective from the current annual reporting period.

(d) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Donations and bequests

Donations and bequests are generally recognised as income, when the Foundation obtains control over the assets comprising donations and bequests. Control over these are normally obtained upon the receipt of cash.

(ii) Investment income

Investment income is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Dividends and Distributions revenue is recognised in accordance with AASB 118 *Revenue* when the Foundation's right to receive payment is established. Unrealised gains and losses are brought to account in the Income Statement.

(e) Financial instruments

(i) Cash

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances and paid monthly at the normal commercial rate.

(ii) Term deposits

The Foundation has placed funds in bank deposits 'at call' or for a fixed term. The interest rate payable is negotiated initially and is fixed for the term of the deposits. The deposits are usually held to maturity. Interest is accrued as at 30 June and brought to account in the income statement.

Notes to and forming part of the financial statements

for the year ended 30 June 2008

(iii) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. Any changes are accounted for in the income statement when impaired, derecognised or through the amortisation process. The evidence included past experience and current and expected changes in economic conditions and debtors credit ratings. No interest is earned on trade debtors.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(iv) Investments

In accordance with AASB139 Financial Instruments under AEIFRS, the Foundations investments are classified as 'at fair value through profit or loss' and measured at fair value, which is equivalent to their carrying value.

The Foundation invests in a selection of listed interest rate securities and managed funds in accordance with the provisions of the Trustee Act 1925. They are generally redeemable with 24 hours notice. Fair value is determined by reference to current bid prices at the close of business on balance date for interest rate securities and redemption price in the case of managed fund. The classification of its financial assets will be reviewed at each financial year end. The listed securities are quoted on the Australian Stock Exchange and are a mixture of floating and fixed interest securities. The managed funds are represented by the number of units in a selection of funds. Each fund has different investment horizons and comprises a mix of asset classes appropriate to the investment horizon. Each fund appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the fair value. The value of the investments represents the Foundation's share of the value of the underlying assets of the fund and is stated at fair value, based on the market value.

(v) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation and other amounts, including interest. Trade and other payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Risk management

The Foundation's Investment Policy was endorsed by the Finance committee/Board during 2007/08. The Finance Committee met with the fund managers during 2007/08 as part of their periodical review of the Foundation's portfolio.

The Gallery administers the Foundation's investments, and during 2007/08 undertook a risk analysis of its financial management. This entailed a review of the major risks associated with the financial instruments ie credit, liquidity, market, interest rate, currency and other risks. Risk impact area and implications arising from each risk factor was analysed and a risk rating assigned. The likelihood and the consequences of each risk were analysed and the controls and risk mitigation strategies confirmed.

Credit risk arises when there is the possibility of the Foundation's debtors defaulting on their contractual obligations, resulting in a financial loss to the Foundation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). The Foundation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. No collateral is held by the Foundation. The Foundation has not granted any financial guarantees.

Credit risk on term deposits is managed by ensuring that only those banks and building societies approved by the Reserve Bank/Australian Prudential Regulatory Authority (APRA) and included in the 'AGNSW Approved List'; no more than 20% (at cost) of the Foundation's funds to be invested in any one institution; investments beyond 12 months maturities are only made in rated banks of not less than BBB long term rating. Credit risk on other investments are minimised by diversification across a spread of funds and asset categories.

Notes to and forming part of the financial statements

for the year ended 30 June 2008

Liquidity risk is the risk that the Foundation will be unable to meet its payment obligations when they fall due. The Foundation continuously manages this risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The Foundation has no loans or overdrafts and no assets have been pledged as collateral. An overdraft facility is not considered necessary as arrangements have been put in place to call in term deposits at short notice if needed. A penalty of reduced interest rate may sometimes be incurred.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is inherent in equity markets, which is subject to global volatility. The Foundation endeavours to limit this risk by investing in a selection of managed funds which provide diversification through asset allocation over a spread of financial assets (cash, bonds, fixed interest securities and equities) over medium and long term investment horizons.

Interest rate risk is confined to fixed rates on term deposits and fixed or floating rates on listed interest based securities. The Foundation has no interest bearing liabilities and therefore is not exposed to interest rate risk on borrowings.

Currency risks – the Foundation has indirect exposure to currency risks to the extent that commitments are made to the Art Gallery of NSW for contributions towards acquisitions in foreign currency. The Gallery reduces this risk through forward cover contracts which fixes the foreign currency rate at or near the time the commitment is made.

Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Foundation will not be able to collect all amounts due. Any reversals of impairment losses are reversed through the income statement, where there is objective evidence.

De-recognition of financial assets and liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Foundation transfers the financial asset where substantially all the risks and rewards have been transferred or where the Foundation has not transferred substantially all the risks and rewards, if the entity has not retained control. Where the Foundation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Foundation's continuing involvement in the asset. A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(f) Income Tax

The Foundation is a registered charitable fund and is exempted from income tax.

(g) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Foundation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated net of GST.

Cash flows are included in the cash flow statement on a net basis as GST related cash inflows and outflows are not transacted by the Foundation.

Notes to and forming part of the financial statements

for the year ended 30 June 2008

(h) Accounting Standards issued but not yet effective

The Foundation did not early adopt any new accounting standards and interpretations that are not yet effective. At the date of authorisation of the financial statements, the following Standards and Interpretations were on issue and applicable to the Foundation, but not yet effective:

AASB 8 'Operating Segments' that is operative for 31 December 2009 and 30 June 2010 year ends

AASB 101 'Presentation of Financial Statements' that is operative for 31 December 2009 and 30 June 2010 year ends

AASB 123 'Borrowing Costs' that is operative for 31 December 2009 and 30 June 2010 year ends

AASB 127 'Consolidate and of Financial Statements' (Revised), that is operative for 31 December 2008 and 30 June 2010 year ends

AASB 1004 'Contributions' that is operative for 30 June 2009 and 31 December 2010 year ends

AASB 1050 'Administered Items' that is operative for 30 June 2009 and 31 December 2010 year ends

AASB 1052 'Disaggregated Disclosures' that is operative for 30 June 2009 and 31 December 2010 year ends

The Foundation has assessed the impact of these new standards and interpretations and considers the impact to be not applicable or insignificant.

Notes to and forming part of the financial statements

for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000

2 EXPENSES

(a) Contributions to AGNSW for art acquisitions	1,595	2,072
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(b) Operating expenses

Audit fees	7	7
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Audit fees are for the audit of the financial report. The auditors received no other benefits.

3 INCOME**(a) Donations and bequests**

Donations	451	443
Bequests	4,377	402
	4,828	845

(b) Investment income

Interest, dividends & distributions	2,279	2,694
Unrealised/realised gains (losses)	(3,227)	601
	(948)	3,295

Donations and bequests received are generally preserved as capital unless otherwise requested by donor/benefactor.

4 CURRENT ASSETS – CASH & CASH EQUIVALENTS

Cash at bank	83	103
Term deposits – less than 12 months maturity	13,031	5,680
Total cash & cash equivalents	13,114	5,783

For the purpose of the cash flow statement, cash includes cash at bank and short term deposits. Cash and cash equivalent assets recognised in the balance sheet are reconciled at end of the financial year to the cash flow statement as follows:

Cash and cash equivalents (per balance sheet)	13,114	5,783
Closing cash and cash equivalents (per cash flow statement)	13,114	5,783

The interest rate return on these cash and deposits was 7.7% in 2008 (6.5 % 2007) on an average balance of \$9.449m (\$5.833 in 2007).

5 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Receivables – not past due	640	1,466
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These primarily represent accrued income on investments and are non interest bearing.

Notes to and forming part of the financial statements

for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000

6 NON CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Listed securities	6,073	7,533
Managed funds	8,525	11,292
Total non current financial assets at fair value	14,598	18,825

The return on the listed securities was 1.2% in 2008 (6.7% 2007) on an average balance of \$6.803m (\$7.642 in 2007) and the return on managed funds was negative 14.4% in 2008 (21.9% 2007) on an average investment of \$9.909m (\$10.959m 2007).

Overall, the Foundation earned negative 2.3% in 2008 (13.2% 2007) on an average balance of \$27.347m (\$25.041m 2007), representing all its funds.

Sensitivity analysis	Change in interest rate or unit price		Impact on profit/loss	
Cash/Term Deposits	+/-	1.0%	131	58
Listed interest based securities	+/-	7.5%	455	565
Managed Funds	+/-	15.0%	1,279	1,694

	2008	2007
	\$'000	\$'000

7 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Payables – non interest bearing	7	7
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These liabilities will be settled within 2–3 months using cash at bank.

8 CHANGES IN EQUITY

Accumulated funds		
Balance as at 01 July	26,067	24,006
Changes in equity – other than transactions with owners as owners		
Surplus for the year	2,278	2,061
Balance as at 30 June	28,345	26,067
Total equity comprises:		
Capital (preserved funds)		
Tancred trust fund	1,087	1,087
General fund	24,554	19,726
Total capital	25,641	20,813
Retained investment income	2,704	5,254
Total equity	28,345	26,067

The Capital represent donations and bequests which are preserved as required under the Foundation's Trust Deed.

Notes to and forming part of the financial statements

for the year ended 30 June 2008

9 COMMITMENTS FOR EXPENDITURE

At the date of this report, the Foundation had undertaken to contribute approximately \$88,000, being a residual amount towards the final payment on a major art acquisition by artist David Hockney due in March 2009 (2007 \$4.15m).

10 CONTINGENT LIABILITIES & CONTINGENT ASSETS

At the date of this report, the Trustees are not aware of any material contingent liabilities (2007 contingent liabilities nil, contingent assets of approximately \$4.9m).

11 FUNDRAISING APPEALS

The Foundation did not undertake any specific fundraising appeals as defined under the Charitable Fundraising Act, 1991. However many of the Foundation supporters attend/support the fundraising activities held by the Art Gallery of NSW.

12 POST BALANCE DATE EVENT

In September 2008, the Foundation made a contribution of \$2.7m towards the acquisition of a major iconic work of art by Paul Cézanne *Bords de la Marne* c1888 (A\$16.2m) by the Art Gallery of NSW and committed to make a further contribution of up to \$7.0m in December 2008, subject to the success of the fundraising campaign by the Art Gallery of NSW.

13 TRUSTEE BENEFITS

No Trustee of the Foundation has received or become entitled to receive a benefit because of the contract made by the Foundation or a related body with the Trustee or with a firm of which the Trustee is a member, or with a company in which the Trustee has a substantial interest.

END OF AUDITED FINANCIAL STATEMENTS
