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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Art Gallery of NSW Foundation

Patron
Her Excellency Professor Marie Bashir AC, CVO, Governor of the State of New South Wales

President
The Hon Morris Iemma, BEc LLB MP, Premier of New South Wales

Founding Chairman
Mr Rupert Murdoch AC

Chairman
Mrs Rowena Danziger AM

Deputy chairman
Ms Jillian Broadbent AO

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ART GALLERY OF NSW REPRESENTATIVES
Mrs Rowena Danziger AM (Chairman)
Ms Jillian Broadbent AO (Deputy Chairman)
Professor Michael Feneley
Mr Julien Playoust
Ms Denyse Spice

NSW STATE GOVERNMENT REPRESENTATIVES
Dr Mark Nelson
Mr Ray Wilson OAM

DONOR REPRESENTATIVES
Mr Geoffrey Ainsworth
Mr Brian France AM
Mr Fraser Hopkins
Mrs Catriona Mordant
Mr Reg Richardson AM
Mrs Susan Rothwell
Mr Peter Weiss AM

Finance Committee
Ms Jillian Broadbent AO (Chair)
Mr Geoffrey Ainsworth
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, for 2007–08 has been quite so active and ambitious as it has been.

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 conjunctual, 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 collections. I have been truly delighted with the quality and diversity of the Gallery’s acquisitions which fulfil the objectives of the Foundation – to bring great works of art that would be otherwise unattainable to our collections.

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

Performance

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</thead>
<tbody>
<tr>
<td>Donations</td>
<td>572</td>
<td>367</td>
<td>441</td>
<td>443</td>
<td>451</td>
</tr>
<tr>
<td>Bequests</td>
<td>1,007</td>
<td>1,715</td>
<td>35</td>
<td>402</td>
<td>4,377</td>
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<tr>
<td>Net investment income</td>
<td>1,810</td>
<td>2,388</td>
<td>3,046</td>
<td>3,295</td>
<td>(948)</td>
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<tr>
<td>Art acquisitions (for Art Gallery of NSW)</td>
<td>(727)</td>
<td>(2,810)</td>
<td>(2,000)</td>
<td>(2,072)</td>
<td>(1,595)</td>
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<tr>
<td>Expenses</td>
<td>(20)</td>
<td>(18)</td>
<td>(6)</td>
<td>(7)</td>
<td>(7)</td>
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<tr>
<td>Surplus</td>
<td>2,642</td>
<td>1,642</td>
<td>1,516</td>
<td>2,061</td>
<td>2,278</td>
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Balance Sheet

as at 30 June

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<tbody>
<tr>
<td>Cash/term deposits</td>
<td>3,017</td>
<td>5,623</td>
<td>4,357</td>
<td>5,783</td>
<td>13,114</td>
</tr>
<tr>
<td>Net receivables (payables)</td>
<td>18</td>
<td>(795)</td>
<td>1,272</td>
<td>1,459</td>
<td>633</td>
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<tr>
<td>Listed securities</td>
<td>7,847</td>
<td>7,834</td>
<td>7,751</td>
<td>7,533</td>
<td>6,073</td>
</tr>
<tr>
<td>Managed funds</td>
<td>9,980</td>
<td>9,828</td>
<td>10,626</td>
<td>11,292</td>
<td>8,525</td>
</tr>
<tr>
<td>NET WORTH</td>
<td>20,862</td>
<td>22,490</td>
<td>24,006</td>
<td>26,067</td>
<td>28,345</td>
</tr>
</tbody>
</table>

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

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<tbody>
<tr>
<td>Term deposits/cash</td>
<td>5.2%</td>
<td>5.5%</td>
<td>5.8%</td>
<td>6.5%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Managed fund</td>
<td>13.1%</td>
<td>15.3%</td>
<td>22.5%</td>
<td>21.9%</td>
<td>-17.7%</td>
</tr>
<tr>
<td>Listed securities</td>
<td>8.8%</td>
<td>6.8%</td>
<td>6.1%</td>
<td>6.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>TOTAL ALL SECURITIES</td>
<td>9.9%</td>
<td>11.0%</td>
<td>13.3%</td>
<td>13.2%</td>
<td>-3.5%</td>
</tr>
</tbody>
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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

<table>
<thead>
<tr>
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<th>$10m</th>
<th>$5m</th>
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<tbody>
<tr>
<td>Donations</td>
<td>$2.3m</td>
<td>12%</td>
</tr>
<tr>
<td>Bequests</td>
<td>$7.5m</td>
<td>39%</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$9.6m</td>
<td>49%</td>
</tr>
<tr>
<td>Revenue</td>
<td>$19.4m</td>
<td>100%</td>
</tr>
</tbody>
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Net worth

$28.3 million at 30 June 2008

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| Preserved capital    | $25.6m  
90%  |
| Accumulated surplus  | $2.7m |
10%  |

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.
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
- Art Gallery Society of NSW
- Caltex Australia Ltd
- 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

GOVERNORS 1983–1994
- Ampol Exploration Ltd
- 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
- Coca-Cola Amatil Ltd
- CSR Ltd
- Esso Australia Ltd
- FAL Insurance Ltd
- Goodman Fielder Wattie Ltd
- CE Heath Casualty and General Insurance Ltd
- The Estate of the late M E R Horton
- IBM Australia Ltd
- James Hardie Industries Ltd
- Lend Lease Corporation Ltd
- Lotto Management Services Pty Ltd
- Mr Jack Manton OBE & Jenny Manton
- Mr G E Mapp
- National Australia Bank Ltd
- Pancontinental Mining Ltd
- Rothmans Holdings Limited
- Mr & Mrs Harry Seidler
- The Shell Company of Australia Ltd
- Thomas Nationwide Transport Ltd
- Mr & Mrs G M Thorp
- Isaac & Susie Wakil
- Anonymous

FELLOWS 1983–1994
- Mr and Mrs E F Albert
- The Late Sir Howard and Lady Beale
- Blue Circle Southern Cement Ltd
- Brambles Industries Ltd
- Brenmoss Group Holdings Pty Ltd
- Mrs N Brink
- Mrs E Capon
- G J Coles &Coy Ltd
- Mr K G Coles
- Commonwealth Banking Corporation
- Commonwealth Industrial Gases Ltd
- Concrete Constructions Group Pty Ltd
- CRA Services Ltd
- Dalgety Farmers Ltd
- Mrs Rowena Danziger
- Davids Holdings Pty Ltd
- Mr & Mrs O L M Davies
- Mr J O Fairfax
- Mr & Mrs P A Flick
- Mr S M Gazal
- George Patterson Pty Ltd
- Mr M A Gleeson-White
- Mrs M Gowling
- Mr & Mrs N Gruzman
- Mr & Mrs I R L Harper
- Mr & Mrs S D L Horwitz
- ICI Australia Ltd
- John Fairfax Ltd
- Mr & Mrs M R G Johnson
- Mrs J Joye
- Mrs V N Kahlbetzer
- The James N Kirby Foundation
- Mrs R Kornon
- Mr and Mrs P C B. Larcombe
- Y D Buchanan May
- Mayne Nickless Ltd
- McCann-Erikson Advertising Pty Ltd
- P & O Australia Ltd
- Peddle Thorp & Walker Pty Ltd
- Peter Weiss Pty Ltd
- Mr R Rivkin
- Dr & Mrs S Robertson
- Mr & Mrs P G Saywell
- State Bank of New South Wales
- Mr & Mrs E Sternberg
- St George Bank Ltd
- Unilever (Australia) Ltd
- Utah Foundation
- Mr S J Walder
- Mr B Walker
- Mr & Mrs P Weiss
- Mr R Whyte
- Woolworths Ltd
- Ms C Zampatti
- Anonymous
Foundation membership
1994 to date
(excluding Members who have not supported the Foundation in recent years)

LIFE BENEFactors
James Agapitos OAM & Ray Wilson OAM
Art Gallery Society of NSW
The Belgiorno-Nettis family
Mary-Jane Brodribb
Maurice Cashmere
Ken Coles AM & Rowena Danziger AM
Sir William Dobell Foundation
Mr JO Fairfax AO
Rob & Jenny Ferguson
James Gleeson AO & Frank O’Keefe
Walter Hartwig
Dr Elizabeth Hazel
Mary Heseltine
Jonathan & Karen Human
The John Kaldor family
Yvonne Buchanan May & Hugh Buchanan May
News Limited
Margaret Olley AC
Mary Eugene Tancred
Peter Weiss AM
Beryl Whiteley OAM

GOLD BENEFactors
Geoff & Vicki Ainsworth
Jim & Janette Bain
The Balnaves Foundation
Susan Chandler
Patrick Corrigan AM
Mollie Gowing
Mervyn Horton
Nelson Meers Foundation
Alan & Jancis Rees
Lyn Williams AM
David George Wilson

BENEFactors
Paul & Valeria Ainsworth
James Barker
Mr & Mrs PL Binnie
Jillian Broadbent AO
Andrew & Cathy Cameron
Patricia Englund
Vincent Fairfax Family Foundation
John M Gillespie
David Gonski AO & Orli Wargon
Robert Quentin Hole
Fraser & Victoria Hopkins
Isa & Hal Jones
Andrew Klippel
Sophie Landa
Mr & Mrs Teck-Chiow Lee
Adrian Claude Lette
Mr C Lloyd Jones CMG
Frank Lowy AC
Jim Masselos
David Moore
Catriona & Simon Mordant
Carole Muller
Judith & Kerr Neilson
Susan & Garry Rothwell
Charles & Denyse Spice
Isaac & Susan Wakil
Dr John Yu AC & Dr George Soutter AM
GOVERNORS
Nanette & Stephen Ainsworth
Mrs Antoinette Albert
Robert & Elizabeth Albert
David Apelbaum & Werner Schmidlin
Mrs Kate Armati
Karen & David Aspden
Felicity & John Atanaskovic
Richard A Blair
Ken & Ellen Borda
Tom & Eva Breuer
Gillian Bunning
Judy Cassab AO CBE
The Clitheroe Foundation
David & Michelle Coe
Joanna R Coghlan
Charles Davies-Scourfield
Peter Elliott
Margaret Ellis
Lady (Vincent) Fairfax OBE
Brian France AM & Philippa France
Chris & Judy Fullerton
Elizabeth Fyffe
Sally Garrett
Neville H Grace
John & Inge Grant
Deirdre & David Greatorex AO
Ginny & Leslie Green
Christine & David Hartgill
Geoffrey L Hassall
Dr James Hayes
Bill Henson
Michael & Doris Hobbs
Christopher Hodges & Helen Eager
IBM Australia Limited
Angela Isles
Peter & Sharon Ivany
Robert Johnson
Warwick & Ann Johnson
Margaret Mary Jones
Nettie & Peter Joseph OAM
Judy Joye & Robin Crawford
Mrs VN Kahlbetzer
Andrew James Kellett
Mr & Mrs R H Kidd
Wal & Denise King
Anne Landa
Ross Langlands & Irene Langlands
Dr Colin & Mrs Elizabeth Laverty
Geoffrey & Deborah Levy
Vicki Liberman
David Lowy
Mr Andrew Lu OAM & Dr Geoffrey Lancaster AM
Mr Jack Manton OBE & Jenny Manton
Viktoria Marinov
Sam Meers & Richard Kuo
Mrs John Minter
Dr & Mrs Mark Nelson
Kerry Packer AC & Roslyn Packer AO
Guy Paynter
Mr & Mrs Nicholas Peters
Elizabeth Ramsden
Sally & Reg Richardson AM
Judith & Ken Rutherford
Penelope Seidler AM & Harry Seidler AC OBE
John L Sharpe
Dr Gene & Brian Sherman AM
W J Sinclair
Sabrina & George Snow
The Hon H D & Mrs J A Sperling
Frederick & Caroline Storch
Mr & Mrs G M Thorp
Andrew & Ursula Tompkins
Mrs Marie Trinart
Malcolm & Lucy Turnbull
Diana Walder OAM
Bret Walker SC
Margaret Waller
S H W & E M Watson
Doreen & Geoffrey K Williams
Diana Yeldham
Steven Zador
FELLOWS
AEH Group
Mark & Lindy Ainsworth
Mrs MC Ainsworth
Sir Alexis Albert RFD RD &
Robert O Albert AO, RFD RD
Kate Anderson
Patsy Asch
Australian Galleries
Philip Bacon AM
Gregory & Nicola Bundy
Paul & Karen Byrne
Joanna Capon OAM
Peter & Margaret Cary
Dr Malcolm Coppleson AO & Patricia Coppleson
Bruce & Ann Corlett
Peter & Dee Court
Ian Darling
Vesta & Owen Davies
The Hon Mrs Ashley Dawson-Damer
Christopher & Fiona Day
Lauraine Diggins
Mr & Mrs GM Douglass
Zeny Edwards
Sandra & Paul Ferman
Terry & Lynn Fern
Peter & Robyn Flick
Rosemary Foot AO
Mrs V E Fuller
Maurice & Christina Green
Linda Gregoriou & Dale Jones-Evans
Mr Neville Gruzman AM & Mrs Gruzman
Hon Justice Ian V Gzell
Amanda Harkness
Angelo & Despina Hatsatouris
Maria Teresa Savio Hooke
Monica & David Jackson QC AO
Despina & Iphygenia Kallinikos
Judith & Ervin Katz
Peter Keel & Angela Arnold
Phillip Keir
Jeannette & Gordon King
David Knaus
Mrs R Komon
John & Anne Leece
Mr A G Legge
Bernard & Barbara Leser
Ann Lewis AM
Megan & Alfred H Machin
Mr Anthony Odillo Maher
Mitchel & Robyn Martin-Weber
Dr Hing Yiu Mok
Will Noble
Gwen Pearson
Bridget Pirrie & Stephen Grant
Gabrielle Pizzi
PLAYoust Foundation
Michael & Lexie Polin
Alex Popov & Alison Hulett
Michael J Reed
Dr & Mrs S Robertson
Greg & Elizabeth Sanderson
Max & Alison Sandow
Eve Silver
Michael & Lia Silvers
David Slessar & Alice Ilich
Lyn & Ian Stephenson
Dr & Mrs Hugh Taylor
Will & Jane Vicars
The Hon T Tw Waddell & Mrs Thea Waddell OAM
Mr & Mrs W D T Ward
Phyllis Warnock
Salvatore Zofrea
Kenneth R Reed & Leonard Groat
John G Pearson & Mark B Clark
Garry Shead

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Alison & Robert Carr
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Roderick and Gillian Deane
Freedman Foundation
James Geneid
Robert & Beatrice Gray
Key Foundation
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Christine M Liddy AO & David B Liddy
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Lisa Paulsen
D & E Prevedoros
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Stephen Shrimpton & Nicole Lehmann
Vassily & Robert Skinner
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Thomas Electronics of Australia Pty Ltd
Cameron Williams
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John Antico AM
Gillian Appleton
Arc One Gallery
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Celia & Eckhart Bishoff
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Judge AD & Mrs C Bishop
The Hon Bronwyn Bishop
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William & Annette Blinco
Ken Bloxsom
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Susan Boutwell & James Draper
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Peter Braithwaite
Derek Sickle & Victoria Brien
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Michael & Wendy Brown
Martin Browne
Warwick Bryan
Ian & Siena Buchanan
Michael Bulloch
Steve & Suzanne Burdon
Dr John & Professor Margaret Burgess
Ruth Burgess
Mrs Joyce A Burnard
Elizabeth Burns
Moira Burns
Gil & Kim Burton
Margot Butrose
Stephen Buzzacott & Kemsley Brennan
Paul & Elizabeth Buzby
Michael Callaghan
Elizabeth Callanan
Cressida Campbell
Lisa Cantamessa & Francis Douglas
Adrian & Evan Cardiacos
Jim Carlsson
Philip Carr
Bronwyn & Anthony Carroll
Simon Cary
Tim & Anne-Marie Casey
Peter & Norma Castaldi
Joseph Catanzariti
Luisa Catanzaro
Licia Cattani
Ronni & Merelyn Chalmers
Julia Champtaloup
Trevor & Carole Chappell
Ronda Chisholm
Alan Chiswick
Oi Choong
Leo Christie OAM & Marion Borgelt
Jane & Hamish Clark
Iain & Philippa Clark
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
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Joan R Connery OAM
Maxwell J Connery OAM
Melinda Conrad & David Jones
Alan Cooley
Peter & Helene Coombes
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Frank & Joan Croll
Angelo & Erenie Crones
Elinor Crossing
Peter & Sally Crossing
Charles P Curran AO
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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
Colette Dinnigan
James & Suzanne Dominguez
Barbara & Andrew Dowe
Stella Downer
Camilla Drover
Michael L Duigan
The late Mrs IG Duley
John & Jill Dunlop
Anita & Don Dunn
Sue & Colin Dunston
Juliet Dunworth
Carmel Dwyer & Charles Leedman
Matthew Dyasart (in memory of)
Max & Sandra Eady
Lynda & Jim Eger
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
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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 Gait
Sally Garrett
Marea Gazzard AM
Getty Images
Jilly & Mike Gibson
Donald & Rosita Gibson
Belinda Gibson
James & Robin Patricia Giffen
Suzanne Gleece
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
Catherine Hickson
John & Catherine Higgins
Lachie Hill
Stephen Hill (in memory of)
James Hill
Winifred Hinds
Kate Hodgkinson & Frank Hodgkinson (in memory of)
Malcolm and Helen Holmes
Janie Holyman
Maria Teresa Savio Hooke
Andrew L Horsley
Louise Horsley
Bruce & Carolyn Hudson
The Hon TEF Hughes AO, QC & Mrs Hughes
Richard Hunt
Roslyn & Alex Hunyor
W. Nevin Hurst
Mrs HW Hutchinson
T & D Hyde Page
Annamaria Hynes
Diane Ipkendanz
Rex Irwin
Ted & Cynthia Jackson
Ken & Louise Jacobs
Pamela Jennings
Adam & Jilly Johnson
Robert Johnson
Rainbow Johnson
Michael & Margot Johnson
Ian Johnston
Amanda Johnstone & David Cowling
Dr Ross Jones
Erika Jumikis
Naomi Kaldor
Vasili Kalman
Peter Kampfner
Dr Dominic H Katter
Mary Kavanagh
Carolyn Kay & Simon Swaney
C. John Keightley
Barry Keldoulis
David Kelly & Aynsley Cameron
Mrs Suzanne Kelly
Nick & Susie Kelly
Christina Kennedy
Susie & Ian Kennedy
David S Kent
Lesley Kernaghan
Richard King
David Kinniburgh & Jane Douglas-Kinniburgh
Alexandra Kinross
James & Susan Kirby
Anna-Lisa Klettenberg
Timothy Klingender
Holly Kramer & Malcolm Noad
Mr & Mrs Gilles Kryger
Ian & Sue Lancaster
Dr William Land AM
Eleanor Langford
Annette Larkin
Chloris Latham
Charles Latimer
Robert Lavigne
Dr L Lawrence
Neil & Caroline Lawrence
John Laws CBE & Caroline Laws
Bernard & Linna Le Boursicot
Edith Lees
Professor Michel Lefebvre
Therese Leuer
Harvey Light
Robert Linnegar & Randi Linnegar
Juliet Lockhart
Bob & Eleni Longwell
Amanda Love
Dr Kathryn Lovric
Tom & Sylvia Lowenstein
David & Sue Lowes
Richard Lubner
Gary & Susan Ma
Anni Macdougall
David Maloney
J & A Mandelson
Sarah Mandelson & Richard Single
Richard Mann & Mary Curtis
Joy & Harold Marchant
Eugene & Joanne Marchese
Pierre Marecaux & Ken Thompson
Scott Marinckeh & Daniel Valawink
Bert & Diana Marks (in memory of)
F & M Martin
Richard & Maryanne Martin
Alexandra Martin
Sally Marwood Cullen
Brenda & Robert May
John McBride
Mrs Marie McCann OAM
Mark & Roslyn McCulloch
Frank McDonald
Mary-Rose McDonald
R McDonald Luger
Jan McGovern
Susan & David McGrath
Roger McIlroy
Helen McKenzie
Andrew & Abbey McKinnon
Lady McMahon
Dr Stephen McNamara
Tony & fran Meagher
R.P Meagher
Odetta Medich
Paul & Gráinne Meehan
Brian & Lorna Mellor
Stephen Menzies
Tino Mercado
Warwick & Suzanne Miller
Paul Milliss
Russell Mills
Dr Margaret Mills
Mr R H Minter
Alberto Modolo OAM
MOP Projects
Joanna Morrison
Alf Moufarige
Brian & Jocelyn Munday
Kingsley Mundey
Barry & Elizabeth Murphy
Elizabeth Murray
Mrs T A & Mr J D Murray-Jones
Michael Musgrave
Dr Desmond and Suzanne Nasser
Kazuko Nelson
Dr Warwick Nettle & Mimi Verlaine Nettle
Bruce & Lynne Newey
Dr Clinton Ng
Kerry Nicholson
Carmel Niland AM
Nomadic Rug Traders
William Nuttall & Annette Reeves
Rory, Zena & Lucy O’Connor
 Alec O’Halloran & Helen Zimmerman
Tim Olsen
John Olsen AO OBE
Janette O’Neill
Antonia O’Neill
Pieter & Elizabeth Oomens
Marianna & Tony O’Sullivan
Roslyn & Tony Oxley
Lesley O’Shea & Joseph Penn
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Mary Ann Rolfe
Pam & Mark Rudder
Louise & Jonathon Rust
Terry & Judith Salmon
Kelly Salteri
Margaret & Victor Sammut
Mark & Ruth Sampson
Ruth Sams
Mr & Mrs C G Samuelson
Peter & Christa Satouris
Mrs Alfred Saunders
Robert & Mitzi Saunders
Denis Savill
Alysoun Schoer
Pamela Schüttler
Anna Schwartz
Lilli Scott
Mr John Terrill Scott
Annette Searle
John Roth & Jillian Segal
Morna Seres & Ian Hill
Bernard Shafer in memory of
Anna Shafer
Dr John and Mrs Robin Shand
Mr & Mrs Andrew Shapiro
Dr Philip Sharp
Vivienne Sharpe
Mandy & Oliver C Shaul OAM
Neville Spry & Susan Shehadie
Mrs Helen Showniruk
Patrick & Gabriella Simpson
Janice and Bruce Simpson
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Pat & Derek Smith
Jane Stark
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Peter & Suzanne Steigrad
Dr Miriam & Mr Les Stein
David & Nikki Stein
Mr & Mrs GV Stewart
Brett Stone & Mark Cowley
Tim Storrier
John & Jo Strutt
Bruce and Jennifer Stuckey-Clarke
Sullivan+Strumpf Fine Art Pty Ltd
Sutton Gallery
John D Swainston
Georgie Swift
Yosi & Derryn Tal
Howard Tanner
Victoria Taylor
Georgie Taylor
Ian & Diana Temby
Bhupen Thakker
thirtyseven degrees CFAG
Jeanette C Thomas
Amanda Tierney
Imants Tillers
Mrs W J Tilley
tolarno Galleries
Aida Tomescu
Isolde Tornya
Elizabeth Tregoning
Michael & Eleonora Triguboff

Kevin & Dawn Troy
Helen Tsoukaris
Urban Art Projects
Akky & John van Ogtrop
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Mrs F.G.D Voss
Eugenie Vrisakis
Wagner Art Gallery
Kristina Walker
Philippa Warner
Suzanne A R Waterhouse
Shirley Watkins
Gail Watt
John J Webster SC
Roslyn E Weiley
Janine Weir
Joy Elizabeth Wennerborn
Mr & Mrs Morris L West
Craig Westgate
Michael Bryan Wheeler
Ivan and Karel Wheen
The Edmund & George Whitlock Foundation
Greg & Karen Whittred
Michael Whitworth & Dr Candice Bruce
Sarah J Whyte
Drs Eva & Heinz Wicki
Dr lan Wilcox
Mr David Wilkenfeld
Julie Williams
Robert H Williams
Chris and Judi Wilson
Sophia Wilson
Donna Woodhill
Margaret Woodward
Larry & Patricia Wyner
Tohr & Marianne Yamaguchi
Susan Yates
Dr Ling Yoong
Corinne & John Young
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INDEPENDENT AUDITOR'S REPORT

Art Gallery of New South Wales Foundation

To Members of the New South Wales Parliament


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 PFBA 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
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
## Statement of recognised income and expense

For the year ended 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and bequest</td>
<td>4,828</td>
<td>845</td>
</tr>
<tr>
<td>Investment income</td>
<td>(948)</td>
<td>3,295</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>3,880</td>
<td>4,140</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions to AGNSW</td>
<td>1,595</td>
<td>2,072</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>1,602</td>
<td>2,079</td>
</tr>
<tr>
<td><strong>SURPLUS FOR THE YEAR</strong></td>
<td><strong>2,278</strong></td>
<td><strong>2,061</strong></td>
</tr>
</tbody>
</table>

**Notes**

The accompanying notes form part of these statements.
## Balance Sheet

As at 30 June 2008

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

The accompanying notes form part of these statements.
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
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.
(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.
**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.
(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.
ART GALLERY OF NSW FOUNDATION
Notes to and forming part of the financial statements
for the year ended 30 June 2008

2 EXPENSES
(a) Contributions to AGNSW for art acquisitions 1,595 2,072
(b) Operating expenses
Audit fees 7 7

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

These primarily represent accrued income on investments and are non interest bearing.
6 NON CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed securities</td>
<td>6,073</td>
<td>7,533</td>
</tr>
<tr>
<td>Managed funds</td>
<td>8,525</td>
<td>11,292</td>
</tr>
<tr>
<td><strong>Total non current financial assets at fair value</strong></td>
<td><strong>14,598</strong></td>
<td><strong>18,825</strong></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Sensitivity analysis</th>
<th>Change in interest rate</th>
<th>Impact on profit/loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/Term Deposits</td>
<td>+/- 1.0%</td>
<td>131</td>
</tr>
<tr>
<td>Listed interest based securities</td>
<td>+/- 7.5%</td>
<td>455</td>
</tr>
<tr>
<td>Managed Funds</td>
<td>+/- 15.0%</td>
<td>1,279</td>
</tr>
</tbody>
</table>

2008 2007
$’000 $’000

7 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Payables – non interest bearing

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<tr>
<th></th>
<th>2008</th>
<th>2007</th>
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<td>7</td>
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These liabilities will be settled within 2–3 months using cash at bank.

8 CHANGES IN EQUITY

Accumulated funds

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<th></th>
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<tbody>
<tr>
<td>Balance as at 01 July</td>
<td>26,067</td>
<td>24,006</td>
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</table>

Changes in equity – other than transactions with owners as owners

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<tr>
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<tbody>
<tr>
<td>Surplus for the year</td>
<td>2,278</td>
<td>2,061</td>
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</table>

Balance as at 30 June

<p>| | | |</p>
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<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>28,345</td>
<td>26,067</td>
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Total equity comprises:

Capital (preserved funds)

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<tbody>
<tr>
<td>Tancred trust fund</td>
<td>1,087</td>
<td>1,087</td>
</tr>
<tr>
<td>General fund</td>
<td>24,554</td>
<td>19,726</td>
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Total capital

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<tr>
<td></td>
<td>25,641</td>
<td>20,813</td>
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Retained investment income

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<tr>
<td></td>
<td>2,704</td>
<td>5,254</td>
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</table>

Total equity

<p>| | | |</p>
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</thead>
<tbody>
<tr>
<td></td>
<td>28,345</td>
<td>26,067</td>
</tr>
</tbody>
</table>

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