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# Abbotsford Convent.



## **ABBOTSFORD CONVENT FOUNDATION ANNUAL REPORT and SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

ACN: 098 462 474

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This financial report covers Abbotsford Convent Foundation as an individual entity. Abbotsford Convent Foundation (the "ACF" or "Foundation") is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and the principal place of business is:

**Ground Floor, Convent Building**  
**1 St Heliers Street**  
**Abbotsford VIC 3067**

A description of the nature of the company's operations and its principal activities is included in the Directors' Report.

Cover Image: *HuRU-hARa*, Asia TOPA 2020, Abbotsford Convent. Photo: Mathew Lynn

## Directors' Report

### Directors

The Directors of the Company during or since the end of the financial year are:

Victoria Marles ( <i>Chair</i> )	Stuart Kells
David Laidlaw ( <i>Deputy Chair</i> )	Michael Sokulski
Justin Blumfield	Antonia Syme
Diana Heggie	Judy Williams
Ruth Jones	

Ronald Jones (*retired 21<sup>st</sup> October 2019*)

The Directors receive no remuneration or other compensation. Details of the Directors' qualifications and experience are set out in pages 28 to 30 of the financial report.

### Principal Activities

The Abbotsford Convent Foundation ("ACF") is a not for profit company established to develop the Abbotsford Convent ("Convent") as a centre for the promotion, development, creation and display of culture, arts and learning. This includes literature, music, performing arts, visual arts, craft, design, film, community arts and Aboriginal and Torres Strait Island arts.

The ACF is an Australian public company limited by guarantee and is a charitable organisation. As such it has obtained income tax exempt status under Subdivision 50-45 of the *Income Tax Assessment Act 1997*. It is also the trustee for the Abbotsford Convent Foundation Arts Trust, ("the Trust") which is also a charitable organisation and has obtained income tax exempt status under Subdivision 50-45 of the *Income Tax Assessment Act 1997*. The Trust is also treated as a deductible gift recipient under Subdivision 30-BA of the *Income Tax Assessment Act 1997*.

### Objectives

The objectives for the Convent are contained within the Strategic Plan. This was developed by the Directors in conjunction with senior ACF management and independent professional members of Board sub-committees. The Strategic Plan sets out the principles and priorities established for the governance and stewardship of the Convent.

The ACF's Vision for the Abbotsford Convent is to become:

*An entrepreneurial, financially independent, nationally recognised, creative catalyst and a welcoming, open and inclusive place that maximises cultural impact through complementary cultural and commercial activities.*

The Strategic Plan is built on four main aims that serve as a roadmap to achieving our Vision. These are as follows:

- ACTIVATION:** The Abbotsford Convent will be a catalyst for cultural development, animated by creative and entrepreneurial people. It will be a place that encourages cultural engagement in a broad civic and social sense, as well as fostering excellence in the fine and applied arts.
- PLACE:** The Convent will be a place that inspires, supports and reflects a vibrant mix of cultural and community activities while conserving and enhancing the heritage assets of the Convent and ensuring maximum access and amenity for all visitors.
- VIABILITY:** The ACF will achieve financial independence through uses that generate income and extend the scope and quality of outcomes relating to the place and its activation.
- GOVERNANCE:** The ACF will make decisions and perform our role in a manner that reflects our core values and that encourages accountability, operational efficiency and responsiveness to needs as they arise.

## Review of Operations

The ACF's on-going business generates cash flows through the mix of tenancy, car park and venue hire businesses. All of these businesses have had a significant impact arising from the Covid 19 Pandemic. In compliance with the Victorian Government's directions regarding permitted activities, the site was closed for the majority of the last four months of the financial year. During this time, rental waivers and deferrals were provided to tenants and income generated from Venue Hire and the Car Park were insignificant.

Revenues from normal activities reduced by \$444,423 (11.9%) to \$3,286,060 (2019: \$3,730,483). The majority of this decrease was experienced during the site closure during April to June resulting in reduced parking revenue and a wind down of the Venues business.

Grant Income for operating activities increased by \$542,262 (212.9%) to \$796,958 (2019: \$254,696) and represented 19.5% of total operating revenues. This amount includes \$300,000 for projects where the expenditure will occur within the next financial year.

Furthermore, operating expenditures grew by \$238,443 (5.9%) with expenditures on activities relating to income from grants growing to \$435,510 (2018: \$361,382).

There was no Grant Income for capital projects during the year (2019: \$1,564,967), however the ACF received \$837,000 in Government Pandemic Support relief during the year including JobKeeper and a specific one-off grant from the State Government.

The overall result was a deficit of \$253,503 (2019: \$748,463 surplus).

## **Matters Subsequent to the End of the Financial Year**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## **Dividends**

As the ACF is a company limited by guarantee it is not permitted to pay dividends to its members.

## **Company Secretary**

John Di Natale is the Company Secretary. He has a Bachelor of Economics and post-graduate studies in Marketing from Monash University.

## **Indemnification and Insurance of Officers**

The ACF has in place a Directors' and Officers' insurance policy. During the year premiums totalling \$8,320 (2019: \$8,279) were paid in respect of Directors' and Officers' insurance.

## **Auditor**

Deloitte Touche Tohmatsu resigned as Auditor with ASIC approval on 4<sup>th</sup> December 2018. Banks Group Assurance Pty Ltd was appointed in their stead and continues in office under section 327 of the Corporations Act 2001 until the Annual General Meeting.

## **Auditor's Independence Declaration**

The auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the financial year ended 30 June 2020.

## Director Meetings

Directors' attendance at Board meetings during the year was as follows:

	Meetings attended	Meetings eligible to attend	Notes
Justin Blumfield	4	5	<i>Commenced on 22<sup>nd</sup> January 2020</i>
Diana Heggie	8	9	
Ronald Jones	2	2	<i>Retired on 21<sup>st</sup> October 2019</i>
Ruth Jones	8	9	
Stuart Kells	5	9	
David Laidlaw	8	9	
Victoria Marles	9	9	
Michael Sokulski	9	9	
Antonia Syme	8	9	
Judy Williams	9	9	

This report is made in accordance with a resolution of the Directors.



Victoria Marles  
Chair



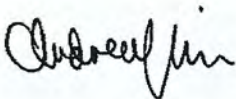
Michael Sokulski  
Director

Dated at Melbourne this 19<sup>th</sup> October 2020.

## Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Abbotsford Convent Foundation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Andrew Fisher FCA, Partner (auditor registration number 306364) on behalf of  
Banks Group Assurance Pty Ltd, Chartered Accountants  
Authorised audit company registration number 294178 (ACN 115 749 598)

19 October 2020

Melbourne, Australia



## Supporters

The ACF acknowledges the vision of the Abbotsford Convent Coalition whose members worked for seven years to secure this public precinct. This success would not have been achieved without their commitment, and that of many others. Over the years, the project has also been greatly assisted by a vast number of individuals and organisations who have contributed their time, energy, skills and financial support. The Foundation is extremely grateful to all those who have provided support.

The Abbotsford Convent Foundation acknowledges the financial and philanthropic support of the following people and organisations who contributed to the ACF and the Abbotsford Convent Foundation Arts Trust in the financial year ended 30 June 2020.

### PRINCIPAL DONORS

Krystyna Campbell-Pretty AM Simon Cowen	Peter Griffin AM & Terry Swann Diana Heggie	Sally Romanes
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### MAJOR DONORS

Michael Adena & Joanne Daly Charlotte Allen & Prof Peter McPhee AM	Graeme Johnson OAM & Joan Johnson Ruth Jones	Bruce Parncutt AO John Paterson David Sanders
Marc Besen AC & Eva Besen AO Helen Brack Collette Brennan John Di Natale Alison Duncan Petra Henkell & Hans Henkell Robert Hocking & Tina Hocking	David Laidlaw & Megan Laidlaw Maggie Maguire OAM Victoria Marles John McLeod & Paula McLeod Pamela McLure Ann E. Miller Baillieu Myer AC	Phillip Schudmak Lady Southey AC Terence Teo & Belle Teo Judy Williams & Peter Williams AM George Willox Moyna Wilson Ray Wilson OAM

### KEY SUPPORTERS

Robyn Bainbridge Dr Catherin Bull AM Michael Cowen Anthony Cullen Suzanne Davies Haydon Elliot & Greg Moses Dr David Fanany Rose Hiscock	Ronald Jones & Georgina Whitehead Prof Stuart Kells & Fiona Kells Peter Kelly Emily Lin Cynthia Nadai Clare O'Dwyer Alex Patton & Anna Lucas	The Hon. Justice Michelle Quigley QC Hayden Raysmith AM Greg Shalit & Miriam Faine Dr Bob Sullivan Antonia Syme AM Cheryl Thomas & Chris Thomas
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### FRIENDS

Robbie Aitken Alex Allingham-MacLaren Robyn Anderson Australian Writers' Centre Heather Barton Nicole Beyé	Adrian Bonaventura Arthur Braun Dr Angela Bridgland Robert Brown Bruce Butler Suzy Chandler	Prof. Martin Comte OAM Margaret Connell Marion Crooke Michelle Cubberley Alan Daley Prof David de Kretser
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**FRIENDS (Cont)**

Anne Dowling & Tom Dowling	Dr Irene Irvine	Emilio Raviola
Betsy Dunne	Cameron Jackson &	Ian Renard AM
Sandie de Wolf AM	Kerryn Jackson	Thomas Rendell
Lynette Dean	Yee Jien	Katie Ridsdale
Anna Dollard	Nico Jonker	Warren Rixon
Robyn Dwyer & Denis Dwyer	Jan Kain	Andrew Robertson
Andrew Evans	Walter Kane	Janey Runci
Guy Farrands	Angela Kirsner	Daniel Saks
Anne Fletcher	Kristina Levenko	Pam Saunders & Barry Saunders
Prof David Forrest	Michelle Lim	Graham Schaffer
Jim Freemantle	Andrew Lloyd	<i>Señor BBQ Catering</i>
Yolanda French	Joanne Luciani	Gina Settle
Ryuichi Fujimura	Jessica Luu	Bruce Sims
Nicholas Garnham	Dr Sally Manuell & Peter Boyle	Sisters of the Good Shepherd
Luke Gianfriddo	Craig Marshall	Mike Smith OAM
Alison Gibb	Emily Masters	Michael Sokulski
Jill Giese	Hilary McPhee AO	Jemma Stefanou
Jean Giese	Marlene Meadley	Virginia Steiner
Andrea Goldsmith	Stefan Mee	Jerome Pelletier
Stephen Gow & Mary Gow	Milosh Milisavljevic & Karen Le	Govin Ruben
Camilla Graves	Judy Morton	The Business of Architecture Pty Ltd
Lucy Guerin AO	Christine Mullen	The Shamatha Group
Andrew Gunn	Alexandra Murphy	Van Tran
Jean Hedges	Andrew Nicoll	Zane Trow
Ria Harrison	Victoria O'Neill	Yumi Umiumare &
John Hatfield & Sue Hatfield	Rosamund Palmer	Takashi Takiguchi
Anna Hayes	Julie Perrin	Charma Voller
Debra Hirschfelder	Giselle Pinto	Liam Wallis & Katya Crema
Renate Howe AO	Dianne Porritt	Dr David Ware

**TRUSTS & FOUNDATIONS****PRINCIPAL PARTNER**

The Dara Foundation

**MAJOR PARTNERS**

Lord Mayor's Charitable Foundation

The Lionel & Yvonne Spencer Trust

**SUPPORTING PARTNERS**

Angior Family Foundation

Ballandry (Peter Griffin Family) Fund: a sub-fund of the Australian Communities Foundation

Bowness Family Foundation

Hamer Family Fund: a sub-fund of the Australian Communities Foundation

Helen Macpherson Smith Trust

Henkell Family Fund: a sub-fund of the Australian Communities Foundation

Jianguo Pty Ltd ATF The CB Gantner Trust

McLeod Family Foundation

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**EVENT PARTNERS**

3MBS Fine Music Radio  
Convent Bakery  
Kawai  
MAV Melbourne  
Terrace Gardens Florist

**PROGRAM PARTNERS**

AsiaTOPA  
ButohOUT! Festival  
CENDANA  
Dancehouse  
Kids' Own Publishing  
Liquid Architecture

Melbourne Fringe  
Midsumma Festival  
Next Wave  
Polyglot Theatre  
Project 11  
Slow Art Collective

**GOVERNMENT PROJECT SUPPORTERS**

Australia Council for the Arts  
Australian Government Department of Industry, Science, Energy and Resources: Australian Heritage Grants  
Creative Victoria  
City of Yarra  
Public Record Office Victoria

**PRINCIPAL GOVERNMENT PARTNERS**

Australian Government Department of Industry, Science, Energy and Resources: Australian Heritage Grants

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## Statement of Profit or Loss and other Comprehensive Income

For the Year Ended 30 June 2020

		<b>2020</b>	<b>2019</b>
	Note	<b>\$</b>	<b>\$</b>
<b>Operating Revenue</b>			
Car Park Income		793,670	1,068,739
Events		209,982	170,419
Grant Income for Operating Activities	2	796,958	254,696
Room Hire		426,378	620,887
Rental Income		1,727,856	1,732,167
Recoveries of Outgoings		115,310	120,503
Other Revenue		12,864	17,768
		<b>4,083,018</b>	<b>3,985,179</b>
	Interest Income	2,123	8,816
		<b>4,085,141</b>	<b>3,993,995</b>
<b>Operating Expenditure</b>			
Administration		362,088	167,004
Advertising & Marketing		94,883	37,539
Car Parking		190,679	237,902
Fundraising		14,418	24,252
Insurance		128,918	117,141
Programming		350,180	308,215
Rates & Taxes		67,567	62,089
Site Operating Costs		919,930	960,978
Staff & Employee Expenses		2,087,994	1,890,768
Other Expenses		35,179	207,505
		<b>4,251,836</b>	<b>4,013,393</b>
<b>Operating Result before Depreciation</b>		<b>(166,695)</b>	<b>(19,398)</b>
Depreciation		927,429	802,845
<b>Operating Result after Depreciation</b>		<b>(1,094,124)</b>	<b>(822,243)</b>
<b>Non-Operating Grants and Donations</b>			
Government Pandemic Support	3	837,000	-
Donations		3,621	5,739
Grant Income for Capital Projects		-	1,564,967
		<b>840,621</b>	<b>1,570,706</b>
<b>Result for the Year</b>		<b>(253,503)</b>	<b>748,463</b>

(continued on following page)

Income Tax Expense	1d	-	-
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>(253,503)</b>	<b>748,463</b>

*The accompanying notes on pages 15 to 24 form part of these financial statements*

## Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash & Cash Equivalents	4	1,052,801	744,468
Tenant Bond Deposits		273,653	267,555
Trade & Other Receivables	5	265,084	131,180
Prepayments		114,770	121,778
Security Deposits		32,092	31,513
Inventory		13,740	-
<b>Total Current Assets</b>		<b>1,752,140</b>	<b>1,296,494</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	6	18,119,294	18,743,638
<b>Total Non-Current Assets</b>		<b>18,119,294</b>	<b>18,743,638</b>
<b>Total Assets</b>		<b>19,871,434</b>	<b>20,040,132</b>
<b>Current Liabilities</b>			
Trade & Other Payables		527,304	430,366
Deferred Income		81,516	98,471
Rental Bonds & Deposits		265,022	272,794
Employee Benefits	7	163,420	140,795
<b>Total Current Liabilities</b>		<b>1,037,262</b>	<b>942,426</b>
<b>Non- Current Liabilities</b>			
Employee Benefits	7	18,610	28,641
<b>Total Non- Current Liabilities</b>		<b>18,610</b>	<b>28,641</b>
<b>Total Liabilities</b>		<b>1,055,872</b>	<b>971,067</b>
<b>Net Assets</b>		<b>18,815,562</b>	<b>19,069,065</b>
Equity		18,815,562	19,069,065
<b>Total Equity</b>		<b>18,815,562</b>	<b>19,069,065</b>

The accompanying notes on pages 15 to 24 form part of these financial statements

## Statement of Changes in Equity

For the Year Ended June 2020

	Note	\$
<b>Balance at June 30 2018</b>		18,320,602
Surplus for the Year		748,463
Other comprehensive income		-
Total Comprehensive Surplus for the year		<u>748,463</u>
<b>Balance at June 30 2019</b>		<u>19,069,065</u>
Deficit for the Year		(253,503)
Other comprehensive income		-
Total Comprehensive Deficit for the year		<u>(253,503)</u>
<b>Balance at June 30 2020</b>		<u>18,815,562</u>

*The accompanying notes on pages 15 to 24 form part of these financial statements*

## Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Cash receipts from non-capital activities		4,669,889	4,509,678
Cash received for capital projects		-	1,564,967
Cash payments to suppliers and employees		(4,060,593)	(4,307,687)
Interest received		2,123	8,816
<b>Net cash provided by operating activities</b>	8	<b>611,419</b>	<b>1,775,774</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(303,086)	(2,510,000)
Decrease / (Increase) in Term Deposits		-	-
<b>Net cash used in investing activities</b>		<b>(303,086)</b>	<b>(2,510,000)</b>
<b>Cash flows used in financing activities</b>			
Repayment of borrowings		-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>308,333</b>	<b>(734,226)</b>
Cash and cash equivalents at 1 July 2019		744,468	1,478,694
<b>Cash and Cash Equivalents at 30 June 2020</b>		<b>1,052,801</b>	<b>744,468</b>

*The accompanying notes on pages 15 to 24 form part of these financial statements*



## Notes to the Financial Statements

### Note 1. Summary of significant accounting policies

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#### (a) Financial reporting framework

The company is not a reporting entity in the opinion of the Directors. These special purpose financial statements have been prepared to satisfy the Directors' reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012. Abbotsford Convent Foundation ("ACF") is a not-for-profit company limited by guarantee domiciled in Australia.

#### (b) Statement of compliance

The financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows' and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

The financial report was authorised for issue by the directors on 19<sup>th</sup> October 2020.

#### (c) Basis of preparation

The financial report is presented in Australian dollars on the historical cost basis.

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Foundation. The areas of significance for management judgements relate to the estimated life of assets and the provisions for doubtful debts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (d) Income tax

The Foundation is exempt from income tax under Subdivision 50-45 of the Income Tax Assessment Act 1997.

**Note 1: Summary of Significant Accounting Policies (continued)****(e) Trade and other receivables**

Trade and other receivables are stated at invoiced amount less impairment losses. (see accounting policy (l)).

**(f) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(g) Revenue and other income****For prior year****i) Grants, sponsorship and donations**

Unconditional grants, sponsorships and donations are recognised in the profit or loss when they become receivable. Any other grants, sponsorships and donations are recognised in the profit or loss when they become receivable and there is a reasonable assurance that the Foundation will comply with the conditions attaching to them. Grants, sponsorships and donations that compensate the Foundation for the cost of an asset are recognised in the income statement when they are receivable.

**ii) Interest income**

Interest income is recognised in the income statement as it is earned.

**iii) Rental income**

Rental income is recognised in the income statement in the year in which it is earned.

**iv) Car Park income**

Car Park income is recognised in the income statement as it is earned.

**v) Events income**

Events income is recognised in the income statement after the event.

**vi) Room Hire income**

Room Hire income is recognised in the income statement after services have been rendered.

**vii) Other income**

Other income is recognised in the statement of income when the related services are rendered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**For current year****i) Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Foundation expects to receive in exchange for those goods or services.

**Note 1: Summary of Significant Accounting Policies (continued)**

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Foundation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

**Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Foundation are:

**Grant income - AASB 15**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement and each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit. Amounts arising from grants where no sufficiently specific performance obligations can be identified are recognised in accordance with AASB 1058.

Revenue Stream	Performance obligation	Timing of recognition
Venue Hire	Use of venue by customers	Over time as the customers utilise the venue over the hire period
Car Park	Use of car park facility by customers	Over time as the customer uses the car park
Rental	Use of rental facility by customers	Over time as the customer derives the benefit of the rental facility

**Grant income - AASB 1058**

An amount arising from a grant within the scope of AASB 1058 is recognised at the asset's fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

**Rental Income**

When the Company is a lessor, the lease is classified an operating lease at inception date. The lease income from operating leases is recognised on a straight-line basis over the lease term.

**Note 1: Summary of Significant Accounting Policies (continued)****Room Hire**

Room Hire income is recognised in the income statement after services have been rendered and performance obligation fulfilled.

**Donations**

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset in line with AASB 1058: Income of Not-for-Profit entities.

**Car Park Income**

Car Park income is recognised daily as the benefit is transferred to the customer and the associated performance obligation fulfilled.

**(h) Property, plant and equipment****i) Owned assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see accounting policy h(iii)) and impairment losses (see accounting policy (l)). Where an asset has been gifted, that is, acquired at no cost or for a nominal cost, the deemed cost is its fair value as at the date of acquisition.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

**ii) Subsequent costs**

The Foundation recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Foundation and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

**iii) Depreciation**

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Plant and Equipment	3-10 years
Structural improvements	10-25 years
Artworks & Installations	2-25 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

(cont)

**Note 1: Summary of Significant Accounting Policies (continued)****(i) Employee Benefits****i) Short term employee benefits**

Liabilities for employee benefits for wages, salaries, annual leave, long service leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Foundation expects to pay as at the reporting date including related on-costs, such as workers' compensation insurance.

**ii) Long term employee benefits**

The Foundation's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates.

**(j) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash includes cash at bank, call deposits and petty cash.

**(k) Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(l) Impairment**

The carrying amounts of the Foundation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of tangible assets is the greater of their fair value less costs to sell and value in use. Value in use is assessed using the depreciated replacement cost method.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of income.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment.

**Note 1: Summary of Significant Accounting Policies (continued)****(m) Going concern**

If, in the reasonably held opinion of the Victorian Minister for Finance, the Precinct is not economically viable or is likely to become not economically viable, having regard to performance assessed against the Business Plan, then the Minister may serve a Notice on the Foundation to provide written reasons why the Foundation should not be required to surrender the Site to the Crown. No such notice has been received. If that occurs the Foundation is not entitled to any payment or compensation. Giving regard to the above, the Directors of the Foundation have prepared the financial report on the going concern assumption.

The Board's policy is to maintain cash reserves and seek grants, donations and sponsorships to maintain the economic viability of the precinct and sustain its future development.

**Note 2. Grant Income for Operating Activities**

The grant income for operating activities received during the financial year includes two amounts totalling \$300,000 where all of the corresponding expenditure will occur in the next or subsequent financial years.

**Note 3. Government Pandemic Support**

The following Pandemic support was received during the year.

<b>Federal Government</b>	<b>\$337,000</b>
Jobkeeper Program	\$274,500
Cash Flow for Business Program	\$ 62,500
<b>State Government</b>	<b>\$500,000</b>
Special Assistance Grant	\$500,000
<b>Total:</b>	<b>\$837,000</b>

**Note 4. Cash and cash equivalents**

	2020	2019
	\$	\$
Bank Balances	994,411	638,350
Call Deposits	50,193	100,000
Cash Held within Parking Operations	6,213	5,493
Petty Cash	1,984	625
	<b>1,052,801</b>	<b>744,468</b>

**Note 5. Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade Receivables	<b>265,021</b>	125,395
Other Receivables	<b>63</b>	5,785
	<b>265,084</b>	131,180

The aging of the Foundation's trade receivables at the reporting date was:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Not Past Due	<b>197,869</b>	62,160
Past Due 0-30 days	<b>11,190</b>	19,720
Past Due 31 - 120 days	<b>49,763</b>	39,137
Past Due 121 days and over	<b>158,582</b>	23,431
Allowance for Doubtful Debts	<b>(152,320)</b>	(19,053)
	<b>265,084</b>	125,395

Not past due trade receivables are for services rendered but not yet due for payment. The movement in Provisions for Doubtful Debts is as follows:

	<b>\$</b>
<b>Opening Balance - July 2019</b>	<b>19,053</b>
Less Doubtful Debts Recovered	(4,282)
Add new provisions taken up	137,549
<b>Closing Balance - June 2020</b>	<b>152,320</b>

(cont)

**Note 6. Property, Plant and Equipment**

Net capital improvements totalling \$303,086 were added during the year from various projects.

	Land & Buildings	Structural Improvements	Plant & Equipment	Artwork & Installations	Total
Cost	\$	\$	\$	\$	\$
Balance at 1 July 2018	3,500,000	18,397,697	395,276	49,180	22,342,153
Acquisitions	-	2,376,337	133,662	-	2,509,999
Capital Work In Progress	-	-	-	-	0
Disposals	-	-	-	-	0
<b>Balance at 30 June 2019</b>	<b>3,500,000</b>	<b>20,774,034</b>	<b>528,938</b>	<b>49,180</b>	<b>24,852,152</b>
Balance at 1 July 2019	3,500,000	20,774,034	528,938	49,180	24,852,152
Acquisitions	-	238,252	50,146	14,688	303,086
Capital Work In Progress	-	-	-	-	0
Disposals	-	-	-	-	0
<b>Balance at 30 June 2020</b>	<b>3,500,000</b>	<b>21,012,286</b>	<b>579,084</b>	<b>63,868</b>	<b>25,155,238</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2018	-	5,034,615	251,230	19,824	5,305,669
Depreciation charge for the year	-	759,918	40,669	2,258	802,845
Disposals	-	-	-	-	0
<b>Balance at 30 June 2019</b>	<b>0</b>	<b>5,794,533</b>	<b>291,899</b>	<b>22,082</b>	<b>6,108,514</b>
Balance at 1 July 2019	-	5,794,533	291,899	22,082	6,108,514
Depreciation charge for the year	-	876,309	47,710	3,408	927,427
Disposals	-	-	-	-	0
<b>Balance at 30 June 2020</b>	<b>0</b>	<b>6,670,842</b>	<b>339,609</b>	<b>25,490</b>	<b>7,035,941</b>
<b>Carrying amounts</b>					
At 1 July 2018	3,500,000	13,363,082	144,046	29,356	17,036,484
At 30 June 2019	3,500,000	14,979,501	237,039	27,098	18,743,638
At 1 July 2019	3,500,000	14,979,501	237,039	27,098	18,743,638
<b>Balance at 30 June 2020</b>	<b>3,500,000</b>	<b>14,341,445</b>	<b>239,475</b>	<b>38,378</b>	<b>18,119,297</b>



**Note 7. Employee benefits**

	2020	2019
	\$	\$
<b>Current</b>		
Provision for Annual Leave	110,859	102,765
Liability for Long Service Leave	47,849	34,064
Provision for Other Leave	4,712	3,966
	<u>163,420</u>	<u>140,795</u>
<b>Non-Current</b>		
Liability for Long Service Leave	<u>18,610</u>	<u>28,641</u>

**Note 8. Reconciliation of cash flows from operating activities**

	2020	2019
	\$	\$
(Deficit) / Surplus for the year	(253,503)	748,463
Adjustment for Depreciation	927,429	802,845
Bad Debts Expense	6,927	6,817
Assets Written off for no cash	-	-
Operating profit before change in working capital and provisions	<u>680,853</u>	<u>1,558,125</u>
Increase in Provisions	12,595	11,416
Increase / (Decrease) in Payables, Bonds & Deposits	89,166	(314,878)
(Increase) / Decrease in Receivables	(140,831)	467,330
Decrease / (Increase) in Prepayments	7,008	(6,619)
(Increase) in Inventory	(13,740)	-
(Increase) in Security Deposits	(579)	(819)
(Increase) / Decrease in Tenant Bonds Accounts	(6,098)	8,811
(Decrease) / Increase in Deferred Income	(16,955)	52,408
<b>Net cash provided by operating activities</b>	<u>611,419</u>	<u>1,775,774</u>

**Note 8. Member guarantee**

The ACF is a company limited by guarantee. If the ACF is wound up, the constitution states that each member is required to contribute a maximum of \$100 towards any outstanding obligations of the company. At 30 June 2020 there were nine members (2019: nine).

**Note 9. Commitments & contingencies**

No material commitments were present at the reporting date that related to work that has yet to be completed.

**Note 10 Events after the end of the Reporting Period**

COVID19 and its associated economic impacts remain uncertain. The Company continues to closely monitor developments with a focus on potential and operational impacts. The Directors, on the date of approving these financial statements, are of the view the effects of COVID-19 do not change the significant estimates, judgments and assumptions used in the preparation of these financial statements, however note that the situation is continuing to evolve.

Except for the above, no material subsequent events have come to the attention of Directors which would affect the information disclosed in this financial report for the year ended 30 June 2020.

**Note 11. Agreement with the State of Victoria and Sinking Fund**

The ACF entered into a Development and Operation Agreement with the State of Victoria on 23 April 2004. Under that Agreement the ACF is required to refurbish all the buildings on site and operate the site as an Arts, Cultural and Educational precinct.

Under the Terms of that Agreement the ACF is required to establish a Sinking Fund for the ongoing maintenance and renewal of the Project. The amount contributed to the Sinking Fund at year-end is nil. Amounts will be set aside to the Sinking Fund once refurbishment of all buildings on site is completed and surplus funds are generated through operations.

## Directors' Declaration

As detailed in Note 1(a) to the financial statements, the Abbotsford Convent Foundation is not a reporting entity because in the opinion of the Directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Directors' reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

The Directors of the Abbotsford Convent Foundation ("ACF") declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company

Signed in accordance with a resolution of the board members made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Dated at Melbourne this 19<sup>th</sup> October 2020



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**Victoria Marles**  
Chair



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**Michael Sokulski**  
Director

## Independent Audit Report to the members of Abbotsford Convent Foundation

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Abbotsford Convent Foundation, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Abbotsford Convent Foundation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

801 Glenferrie Road Hawthorn Vic (Locked Bag 50 Hawthorn Vic 3122) Australia T +61 3 9810 0700 F +61 3 9815 1899 www.banksgroup.com.au

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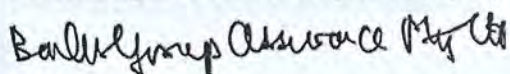
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## Independent Audit Report to the members of Abbotsford Convent Foundation

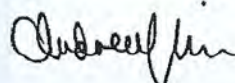
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit



Banks Group Assurance Pty Ltd, Chartered Accountants  
Authorised audit company number 294178 (ACN 115 749 598)



Andrew Fisher FCA, Partner  
Registration Number 306634  
Melbourne, Australia  
19 October 2020

## Directors' Qualifications

The Directors of the Abbotsford Convent Foundation at the date of this report are Victoria Marles (Chair), David Laidlaw (Co-Deputy Chair), Justin Blumfield, Diana Heggie, Ruth Jones, Stuart Kells, Michael Sokulski, Antonia Syme and Judy Williams.

### **VICTORIA MARLES (Chair)**

Victoria is currently the CEO of Trust for Nature (the Victorian Conservation Trust), a position she has held since late 2009. Prior to assuming this role, Victoria was Victoria's Legal Services Commissioner and Chief Executive Officer of the Legal Services Board. As a lawyer Victoria specialised in media and communications law and policy and was the Deputy Telecommunications Industry Ombudsman and prior to that the Deputy Director of the Communications Law Centre.

Victoria has a background in the arts having graduated in drama from the Victorian College of the Arts. She has held various board positions including the Victorian Arts Centre, the Victorian Women's Trust and the Melbourne Writers Festival. Victoria was chair of the Circus Oz Board for fourteen years. Victoria is currently a board member of the Consumer Action Law Centre and a director of the Australian Advertising Standards Council.

### **DAVID LAIDLAW (Deputy Chair)**

David Laidlaw is a partner with a major Melbourne law firm. In his practice David acts in a wide range of large scale tort, contract and corporate litigation matters. His Board appointments have included Asian Law Centre Board University of Melbourne, Law Institute Council, the Federal Attorney General's International Legal Services Advisory Council, the ADVOC Asia Board and Inter-Pacific Bar Association Council and as a foundation member and Chair of the University of Melbourne's Alumni Council.

David has a keen interest and involvement in the arts which stretches back to his days as a national student arts leader. He has served on a number of arts boards and as CEO of his firm, was instrumental in fostering his law firm's support of Australian artists, including its sponsorship of artists selected to represent Australia at the Venice Biennales. He was also responsible for the establishment of the Maddocks' Art Prize for emerging artists in the visual arts. In addition to his legal qualifications he has participated in leadership training with Harvard Business School and has completed Wharton Business School's Advanced Management Program.

He and his wife Megan also run black cattle on their farm property in Western Victoria.

(cont)

**JUSTIN BLUMFIELD**

Since retiring from a successful 148 game AFL career highlighted with the achievement of an AFL Premiership with the Essendon Football Club in 2000, Justin has spent the past 12 years working within the commercial property industry. Justin commenced his property career with top 50 ASX listed property company, The GPT Group. He held various positions during this time in both the retail and commercial office sectors including Marketing Executive, Retail Manager, Centre Manager and Regional Manager in Victoria.

Currently Justin is the Director of Shopping Centre management for Vicinity Centres. Vicinity is a market leading retail property group owning and managing circa \$20 billion in retail assets. Justin is responsible for the strategic management Vicinity's shopping centre management function in Australia including the country's leading outlet brand (DFO).

**DIANA HEGGIE**

Ms Heggie has extensive executive and non-executive experience. In addition to her role as a Director of Abbotsford Convent she is also the Chair of Peninsula Health. Her previous non-executive roles have included; Director of the National Heart Foundation, Chair of the Heart Foundation(Vic) Director of Toorak College, Vice President of NDS and President of Cerebral Palsy Australia. Executive roles have included; CEO of the Heart Foundation (Vic)CEO of Scope, and CEO of the EW Tipping Foundation.

She originally qualified as a physiotherapist in 1987 from Trinity College Dublin, but quickly moved into people management roles in the not for profit sector. She believes strongly in the development of staff and volunteers, and that leadership is about empowering others to do great things. She is also a passionate walker, a green skier, and loves to spend time with her family.

**RUTH JONES**

Ruth Jones is Director, Global Markets, for AVPN, a funders' network based in Singapore. Prior to this, she was CEO of the Social Venture Partners Network and held senior roles at Community Foundations of Canada and Philanthropy Australia. She was Chief Executive of the Australian Film Institute before moving to the field of philanthropy.

**STUART KELLS**

Stuart Kells is an award-winning author whose books have been published around the world. Stuart wrote a history of the Abbotsford Convent, which was published by the Miegunyah Press in 2020. He is Adjunct Professor at La Trobe Business School, and an independent member of the Audit and Risk Committee of Banyule Council. He has had a diverse career in government, academia, consulting, publishing and bookselling.

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**MICHAEL SOKULSKI**

Michael Sokulski is a chartered accountant and finance professional. Michael has worked at Medibank and previously worked 10 years with Ernst & Young where he accumulated significant experience in the accounting field, including delivery of financial assurance projects, internal audits, compliance work, financial reporting analysis and accounting advice across a broad spectrum of private and public clients. He has advised on a variety of transactions including IPOs, acquisitions and business divestments. Michael has also chaired the Young Professionals' Panel for the Institute of Chartered Accountants, promoting the interests of young members and driving engagement with the broader community.

**ANTONIA SYME**

Antonia Syme is the Director of the Australian Tapestry Workshop (ATW) in Melbourne. She has worked for many years cultural sector as a director, consultant, conservator and curator. She was Director of Artbank, for ten years, and worked in federal and state cultural institutions and as Co-Director of Syme Dodson Gallery in Sydney. Board and committee memberships have included the Federal Government's Taxation Incentives for the Arts Committee, NSW National Trust's Museums and Collections Committee, Craft Australia, the Heritage Council (NSW) Maritime Archaeological Advisory Panel, the Sydney College of the Arts Board, the Camden Park Preservation Committee.

**JUDY WILLIAMS**

Judy Williams has extensive arts management experience, having previously worked at the National Gallery of Victoria (NGV) for almost two decades. From 2004 – 2014, she was Head of Foundation & Fundraising, where she was responsible for the development and implementation of the NGV's fundraising strategy, including bequests, legacies and annual giving. As part of her role, she developed and implemented the NGV's 150th Anniversary fundraising campaign – Masterpieces for Melbourne. Prior to this role, Judy was the NGV's Manager of External Relations & Events, where she oversaw the planning and delivery of events for the opening of the Ian Potter Centre and the re-opening of NGV International.

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