
Abbotsford Convent.



ABBOTSFORD CONVENT FOUNDATION ANNUAL REPORT and SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ACN: 098 462 474

Version 3: Final – September 18 2023

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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: *Fountain*, Forest Collective x Max Lawrence, Midsumma Festival, 2023. Photo by Dan Rabin

Directors' Report

Directors

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

Ros Abercrombie	Mark Henry	Tim Northeast
Justin Blumfield	Stuart Kells	Hannah Schwartz
Gillian Franklin	Ruth Jones	Michael Sokulski
Diana Heggie	Victoria Marles AM	Judy Williams

The Directors receive no remuneration or other compensation. Details of the Directors' qualifications and experience are set out in pages 25 to 26 of the financial report.

Principal Activities

The Abbotsford Convent Foundation (ACF) is a not-for-profit organisation responsible for the management and stewardship of the Abbotsford Convent precinct, and the many diverse assets, services, and activities to which the precinct is home. This much-loved nationally heritage listed precinct is a celebration of the nexus of heritage, arts, culture, creativity, community development, learning, wellbeing, and social and cultural enterprise.

Our extensive precinct operations include the management and activation of the precinct's heritage buildings and expansive gardens and grounds across 16 acres, 121 studio spaces housing 150+ diverse arts and creative tenants, car park management, hiring and programming of 31 multi-use in and outdoor heritage venues hosting and presenting thousands of events each year, a gallery, community resources such as not-for-profits, a school, radio station and cafes, and delivery of curated year-round arts and cultural programs

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.

(cont)

- 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 Convent posted annual revenue of \$4,499,070, indicating a return to normal post COVID and the recovery across our key revenue raising business activities - tenancy, car park and venue hire.

Total grant income for operating and capital projects was \$389,385 for the year, a decrease of \$1,164,921 on the previous year (2022: \$1,554,306). In addition, no Government Pandemic Support was received (2022: \$543,400). During the year substantial expenditure of \$551,659 was recorded for grant projects that were funded in prior years, contributing to the reduction in cash within the business compared to the previous year. Overall, the ACF is in a strong financial position and is continuing to rebuild its financial resilience post Covid.

The Convent has a significant responsibility for the ongoing restoration and maintenance of this nationally significant heritage precinct. With some support from the Lord Mayor's Charitable Foundation, completed the part restoration of the Infirmary building which is now used as a music teaching room. We have also commenced some significant precinct enhancements across four projects, funded through the federal governments Australian Heritage Grants program.

Precinct activation increased during the year through external hire and ACF curated programs and events. We were particularly pleased that our annual curated Convent Kids, Convent Live and Convent Made programs benefitted from the first year of funding from a new four-year agreement with Creative Victoria, in addition to other funding partners such as City of Yarra and the Australia Council for the Arts.

Matters Subsequent to the End of the Financial Year

The financial report was authorised for issue by the Board of Directors on 18th September 2023.

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

Dividends

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

(cont)

Indemnification and Insurance of Officers

The ACF has in place a Directors' and Officers' insurance policy. During the year premiums totalling \$7,978 were paid in respect of Directors' and Officers' insurance (2022: \$8,096).

Auditor

Banks Group Assurance Pty Ltd was appointed as Auditor on 24th September 2018 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 5 and forms part of the Directors' Report for the financial year ended 30 June 2023.

Director Meetings

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

	Meetings attended	Meetings eligible to attend	Notes
Ros Abercrombie	6	6	
Justin Blumfield	5	6	
Gillian Franklin	3	3	<i>Appointed 20 February 2023</i>
Diana Heggie	1	1	<i>Retired 17 October 2022</i>
Ruth Jones	4	6	
Mark Henry	1	3	<i>Retired 30 November 2022</i>
Stuart Kells	4	4	<i>Retired 20 February 2023</i>
Victoria Marles AM	1	1	<i>Retired 17 October 2022</i>
Tim Northeast	6	6	
Hannah Schwartz	2	3	<i>Retired 21 November 2022</i>
Michael Sokulski	5	6	
Judy Williams	6	6	

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


 Gillian Franklin
 Chair


 Michael Sokulski
 Director

Dated at Melbourne this 18th September 2023.

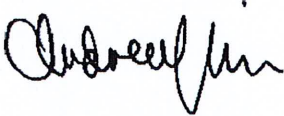
Abbotsford Convent Foundation

ABN: 60 098 462 474

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 2023, 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)

18 September 2023

Melbourne, Australia

Supporters

The ACF acknowledges the vision of the Abbotsford Convent Coalition whose members campaigned for seven years to secure this public precinct for the community. 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 sustained support and advocacy.

While the Abbotsford Convent Foundation acknowledges the financial and philanthropic support of the following people, partners and organisations who contributed to the ACF and the Abbotsford Convent Foundation Arts Trust in the year ended 30 June 2023, it is very grateful to all supporters over many years.

PRINCIPAL DONORS

Krystyna Campbell-Pretty AM
Judy Matear
Sally Romanes

Ray Wilson OAM via The Ray & Margaret Wilson
Foundation
Anonymous (1)

MAJOR DONORS

Rosemary Campbell and Tony Campbell
Mavourneen Cowen
Andrew Evans & Shushen Feng
Diana Heggie
Joan Johnson & Graeme Johnson OAM
Ruth Jones
Megan Laidlaw & David Laidlaw
Maggie Maguire OAM
Victoria Marles AM
Paula McLeod & John McLeod
Cynthia Nadai

John Paterson
Alexander Patton
The Hon. Justice Michelle Quigley KC
Gregory Shalit
Sisters of the Good Shepherd
Michael Smith OAM
Terence Teo
Christopher Thomas AM
Judy Williams & Peter Williams AM
Anonymous (1)

KEY SUPPORTERS

Robyn Bainbridge
Alistair Baird
Andrew Barbour
Ric Begg
Justin Blumfield
Collette Brennan
Janet Campbell
Anna Carlile
Hannah Constantine & David Constantine
John Di Natale
Alison Duncan
Haydon Elliot
Prof. David Forrest

Gillian Franklin
Tina Hocking & Robert Hocking
Cameron Jackson
Ronald Alan Jones
Karen Large
Margaret McNaughton
Joan Monti
Northeast Family
Gina Settle
Michael Sokulski
Lady Marigold Southey AC
George Willox
Anonymous (1)

FRIENDS

The Hon. Robbie Aitken	Lily Foo	Maria Mithen
Charlotte Allen & Prof. Peter McPhee AM	Aaron Foo	Judy Morton
David Baile	Anne Forrest	Alexandra Murphy
Robyn Ball	Nicholas Garnham	George Novakovic
Alison Barber	Robyn Gawenda	Rema O'Neill
Maureen Barden	Luke Gianfriddo	Lynette Payne
Jade Barnaby	Dr. Linda Gibbs	Victoria Prentice
Alexandra Barry	Ross Gilbert	Ian Renard AM
Celeste Best	Andrea Goldsmith	Naomi Richards
Dr. Margot Breidahl	Mary & Stephen Gow	Gary Rimmington
Dan Brooks	Susan Grabsch	Janey Runci
Carole Browne	Camilla Graves	Sally Draper Architects
Louise Buckle	Andrew Gunn	Pamela & Barry Saunders
Dr. Catherin Bull AM	Debra & David Hirschfelder	Schored Projects
Suzy Chandler	Renate Howe AO	Terry Shields
Annie Chapman	Dr. Irene Irvine	Ian Steedman
Elaine Chia	Prue Jolley	Peter Summers
Prof. Martin Comte OAM	Kirsha Kaechele	Mary Symes
Hilary Cure	Jenny Kay	J M Taylor
Suzanne Davies	Prof. Stuart Kells	Patricia Tooth
Leanne de Souza	Peter Kenny	Mark Tran
Lynette Dean	Ezekiel Kigbo	Peter Treloar
Melinda Di Vita	Simon Killen	Vin Vijayan
Anna Dollard	Genevieve Lacey	Rosemary Warnock
Anne & Tom Dowling	Emily Lin	Gregor Whyte
Lesley Dunton	Enrica Longo and Laughton Family	Lorrae Wild
Lloyd Ellis	Giovanna Luciani	Simon Wilding
Dallas English	Jessica Luu	David Wilkinson
Beth Exiner	Jenny Macmillan	Robyn Williams
Lily Foo	Peter Marburg	Lorena Wright
Aaron Foo	Pamela McLure	Anonymous (9)

TRUSTS & FOUNDATIONS

Lord Mayor's Charitable Foundation
 Roger Allen and Maggie Gray Foundation

MAJOR PARTNERS

Australian Communities Foundation - Ballandry (Peter Griffin Family) Fund: a sub-fund of the Australian
 Communities Foundation
 Henkell Family Fund: a sub-fund of the Australian Communities Foundation
 The Myer Foundation & Sidney Myer Fund
 The Pratt Family

GOVERNMENT PROJECT SUPPORTERS

Federal

Australia Council for the Arts (Creative Australia as of 24 August 2023)
Department of Energy, Environment and Climate Action
Department of Industry, Science, and Resources (Australian Heritage Grants)

State

Department of Energy, Environment and Climate Action
Department of Jobs, Precincts and Regions - Creative Victoria and Jobs Victoria Fund

Local

City of Yarra

CORPORATE PARTNERS

Allen's Linklaters
dbg Projects
Ellis Jones
Williams Boag Architects

CORPORATE SUPPORTERS

Colour Factory
Inspired Printing
MAV
Zilla & Brook

* *

Statement of Profit or Loss and other Comprehensive Income

For year ended June 30 2023

		2023	2022
	Note	\$	\$
Operating Revenue			
Car Park Income		914,145	633,957
Events		16,626	14,341
Grant Income for Operating Activities	2	342,785	1,324,038
Room Hire		858,372	455,791
Rental Income		2,246,868	1,945,064
Recoveries of Outgoings		88,275	72,280
Other Revenue		24,725	2,100
Total Operating Revenue		4,491,796	4,447,571
Interest Income		7,274	135
		4,499,070	4,447,706
Operating Expenditure			
Administration		301,179	522,599
Advertising & Marketing		98,007	67,123
Car Parking		211,619	150,616
Fundraising		24,990	20,511
Insurance		143,103	144,694
Programming		564,180	290,419
Rates & Taxes		64,515	60,843
Site Operating Costs		1,285,340	951,081
Staff & Employee Expenses		2,165,842	2,492,407
Total Operating Expenditure		4,858,775	4,700,293
Operating Result before Depreciation		(359,705)	(252,587)
Depreciation		965,437	951,781
Operating Result after Depreciation		(1,325,142)	(1,204,368)
Non-Operating Grants and Donations			
Government Pandemic Support	3	-	543,400
Donations		14,089	6,802
Grant Income for Capital Projects	4	46,600	230,268
Total Grants, Donations & Sponsorship		60,689	780,470
Result for the Year		(1,264,453)	(423,898)
Income Tax Expense	1d	-	-
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE RESULT		(1,264,453)	(423,898)

The accompanying notes on pages 13 to 21 form part of these financial statements.

Statement of Financial Position

As at 30 June 2023

		2023	2022
	Note	\$	\$
Current Assets			
Cash & Cash Equivalents	5	1,252,016	1,732,485
Tenant Bond Deposits		282,963	267,386
Trade & Other Receivables	6	263,587	214,057
Prepayments		181,398	151,330
Security Deposits		-	32,370
Inventory		7,620	9,090
Total Current Assets		1,987,584	2,406,718
Non-Current Assets			
Property, Plant & Equipment	7	15,855,465	16,601,629
Total Non-Current Assets		15,855,465	16,601,629
Total Assets		17,843,049	19,008,347
Current Liabilities			
Trade & Other Payables		460,152	522,456
Deferred Income	8	223,790	93,468
Rental Bonds & Deposits		283,095	275,484
Employee Benefits	9	181,213	174,663
Total Current Liabilities		1,148,250	1,066,071
Non-Current Liabilities			
Employee Benefits	9	45,064	28,088
Total Non-Current Liabilities		45,064	28,088
Total Liabilities		1,193,314	1,094,159
Net Assets		16,649,735	17,914,188
Equity		16,649,735	17,914,188
Total Equity		16,649,735	17,914,188

The accompanying notes on pages 13 to 21 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended June 2023

	Note	\$
Balance at June 30 2021		18,338,086
(Deficit) for the Year		(423,898)
Other comprehensive income		-
Total Comprehensive Deficit for the year		(423,898)
Balance at June 30 2022		17,914,188
(Deficit) for the Year		(1,264,453)
Other comprehensive income		-
Total Comprehensive Deficit for the year		(1,264,453)
Balance at June 30 2023		16,649,735

The accompanying notes on pages 13 to 21 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Cash receipts from non-capital activities		4,579,028	4,269,172
Cash received for capital projects		46,600	230,268
Cash payments to suppliers and employees		(4,894,099)	(4,569,133)
Interest received		7,274	135
Net cash provided by operating activities	10	(261,197)	(69,558)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(219,272)	(319,217)
Decrease / (Increase) in Term Deposits		-	-
Net cash used in investing activities		(219,272)	(319,217)
Cash flows used in financing activities			
Repayment of borrowings		-	-
Net cash used in investing activities		-	-
Net increase in cash and cash equivalents		(480,469)	(388,775)
Cash and cash equivalents at 1 July 2022		1,732,485	2,121,260
Cash and Cash Equivalents at 30 June 2023		1,252,016	1,732,485

The accompanying notes on pages 13 to 21 form part of these financial statements.

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

(a) Financial reporting framework

Abbotsford Convent Foundation ("ACF") is a not-for-profit company limited by guarantee domiciled in Australia. 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.

(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 18th September 2023.

(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.

(e) Trade and other receivables

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

(cont)

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

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

(cont)

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

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. The amount of the impairment is recorded as a separate allowance with the loss being recognised as a bad debt expense.

(cont)

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 received during the financial year for operating activities was \$342,785 (2022: \$1,324,038). This was received mostly from Government sources.

	2023	2022
	\$	\$
Government	292,985	1,126,789
Abbotsford Convent Foundation Arts Trust	49,800	197,249
	342,785	1,324,038

Note 3. Government Income by Source

The following Government support was recognised as income in the current year.

	2023	2022
	\$	\$
Grants For Operating Activities		
Australian Council of the Arts	-	515,220
City Of Yarra	50,603	50,300
Creative Victoria	200,000	-
Department of Industry, Innovation and Science	8,368	143,939
Department of Infrastructure & Regions	-	90,000
Department of Jobs, Precincts & Regions	34,014	369,380
	292,985	1,168,839
Grants For Capital Projects		
City of Yarra	2,000	-
Department of Industry, Innovation and Science	25,000	-
DELWP	19,600	176,400
Department of Jobs, Precincts & Regions	-	2,000
	46,600	178,400
Pandemic Support		
Creative Victoria	-	500,000
Business Victoria	-	43,400
	-	543,400
Total:	339,585	1,890,639

Note 4. Grant income for capital projects

Total grant income for capital projects recognised during the financial year was \$46,600 (2022: \$230,268) as detailed below.

	2023	2022
	\$	\$
Government	46,600	220,450
Abbotsford Convent Foundation Arts Trust	-	9,818
	<u>46,600</u>	<u>230,268</u>

Note 5. Cash and cash equivalents

	2023	2022
	\$	\$
Bank Balances	1,249,338	1,727,721
Cash Held within Parking Operations	2,413	4,250
Petty Cash	265	514
	<u>1,252,016</u>	<u>1,732,485</u>

Note 6. Trade and other receivables

	2023	2022
	\$	\$
Trade Receivables	262,384	213,724
Other Receivables	1,203	333
	<u>263,587</u>	<u>214,057</u>

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

	2023	2022
	\$	\$
Not Past Due	154,062	159,031
Past Due 0-30 days	56,147	25,499
Past Due 31 - 120 days	94,754	84,768
Past Due 121 days and over	37,624	49,435
Allowance for Doubtful Debts	(79,000)	(104,676)
	<u>263,587</u>	<u>214,057</u>

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:

	\$
Opening Balance – 1 July 2022	104,676
Less Doubtful Debts Written Off	(12,041)
Less net change in provisions taken up	(13,635)
Closing Balance – 30 June 2023	<u>79,000</u>

Note 7. Property, Plant and Equipment

Net capital movements for the financial year are shown in the table below.

	Land & Buildings	Structural Improvements	Plant & Equipment	Artwork & Installations	Total
Cost	\$	\$	\$	\$	\$
Balance at 1 July 2021	3,500,000	21,023,773	628,007	63,867	25,215,647
Acquisitions	-	83,676	68,389	9,818	161,883
Capital Work In Progress	-	157,334	-	-	157,334
Disposals	-	-	-	-	-
Balance at 30 June 2022	3,500,000	21,264,783	696,396	73,685	25,534,864
Balance at 1 July 2022	3,500,000	21,264,783	696,396	73,685	25,534,864
Acquisitions	-	213,304	18,602	4,392	236,298
Capital Work In Progress	-	2,986	-	-	2,986
Disposals	-	(56,678)	-	-	(56,678)
Balance at 30 June 2023	3,500,000	21,424,395	714,998	78,077	25,717,470
Accumulated Depreciation					
Balance at 1 July 2021	-	7,561,931	389,616	29,907	7,981,454
Depreciation charge for the year	-	889,240	58,123	4,418	951,781
Disposals	-	-	-	-	-
Balance at 30 June 2022	0	8,451,171	447,739	34,325	8,933,235
Balance at 1 July 2022	-	8,451,171	447,739	34,325	8,933,235
Depreciation charge for the year	-	903,793	54,384	7,260	965,437
Disposals	-	(36,667)	-	-	(36,667)
Balance at 30 June 2023	0	9,318,297	502,123	41,585	9,862,005
Carrying amounts					
At 1 July 2021	3,500,000	13,461,842	238,391	33,960	17,234,193
At 30 June 2022	3,500,000	12,813,612	248,657	39,360	16,601,629
At 1 July 2022	3,500,000	12,813,612	248,657	39,360	16,601,629
Balance at 30 June 2023	3,500,000	12,106,098	212,875	36,492	15,855,465

Note 8. Deferred Income

The composition of Deferred Income is shown below.

	2023	2022
	\$	\$
Pre-Paid Rental Income	93,414	23,574
Pre-Paid Venue Hire Income	87,552	57,844
Prepaid Programming Agreements	9,500	12,050
Deferred Grants	33,324	-
	<u>223,790</u>	<u>93,468</u>

Note 9. Employee benefits

	2023	2022
	\$	\$
Current		
Provision for Annual Leave	117,339	112,876
Liability for Long Service Leave	62,062	58,794
Provision for Other Leave	1,812	2,993
	<u>181,213</u>	<u>174,663</u>
Non-Current		
Liability for Long Service Leave	45,064	28,088

Note 10. Reconciliation of cash flows from operating activities

	2023	2022
	\$	\$
(Deficit) / Surplus for the year	(1,264,453)	(423,898)
Adjustment for Depreciation	965,437	951,781
Bad Debts Expense	12,041	43,025
Operating profit before change in working capital and provisions	<u>(286,975)</u>	<u>570,908</u>
Increase / (Decrease) in Provisions	23,526	(8,178)
(Decrease) / Increase in Payables, Bonds & Deposits	(54,694)	118,229
(Increase) in Receivables	(61,571)	(778)
(Increase) / Decrease in Prepayments	(30,068)	2,204
Decrease in Inventory	1,470	750
Decrease / (Increase) in Security Deposits	32,370	(89)
(Increase) in Tenant Bonds Accounts	(15,577)	(14,760)
(Decrease) / Increase in Deferred Income	130,322	(737,845)
Net cash provided by operating activities	<u>(261,197)</u>	<u>(69,558)</u>

Note 11. 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 2023 there were seven members (2022: eleven).

Note 12. Commitments & contingencies

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

Note 13. Events after the end of the Reporting Period

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 2023.

Note 14. 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 complete and surplus funds are generated through operations.

Note 15. Related party transactions

The Abbotsford Convent Foundation is the trustee of the Abbotsford Convent Foundation Arts Trust (the Trust). The Directors receive no remuneration or other compensation from the Trust. During the year donations of \$49,800 for specific projects were paid from the Trust to the Foundation (2022: \$207,067).

Directors' Declaration

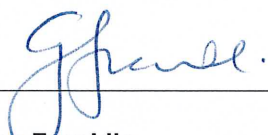
As detailed in Note 1(a) to the financial statements, the Abbotsford Convent Foundation is not a reporting entity because in the opinion of the Directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically 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 18th September 2023



Gillian Franklin
Chair



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 2023, 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 2023 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 (including Independence Standards)* (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 persons 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 persons 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.

Independent Audit Report to the members of Abbotsford Convent Foundation

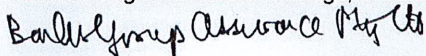
Auditor's Responsibilities for the Audit of the Financial Report

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.

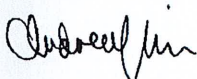
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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

18 September 2023

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Directors' Qualifications

The Directors of the Abbotsford Convent Foundation at the date of this report are Gillian Franklin (Chair), Judy Williams (Deputy Chair), Ros Abercrombie, Justin Blumfield, Ruth Jones, Tim Northeast and Michael Sokulski.

GILLIAN FRANKLIN (Chair)

Gillian Franklin is recognised as one of Australia's most innovative marketers with a passion and commitment to supporting women in business. She is the Founder and former Managing Director of The Heat Group Pty Ltd – one of Australia's leading personal care companies. Gillian is also an accomplished Company Director, with broad experience over 30 years in Director, Deputy Chair and Chair roles across business, sport, the Arts, community and medical industries. Previous experience includes Melbourne Theatre Company (10 years), CEDA (7 years) and Deputy Chair of The Australian Grand Prix (Director 23 years) amongst many others. Gillian is also a Founding member of the Australian pre-eminent women in business organisation, Chief Executive Women (CEW).

JUDY WILLIAMS (Deputy Chair)

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. Judy is also a Trustee of The Johnston Collection, Museum of Fine and Decorative Arts.

ROS ABERCROMBIE

Ros Abercrombie is the Executive Director (CEO) at Regional Arts Australia, facilitating cross-sector, multi arts and intergenerational connections across the arts and creative industries in rural, regional and remote Australia. Ros has over 20 years' experience in the arts and creative industries working as a CEO, consultant, and program and festival director. She was Program Director of Moomba Festival, for eight years, CEO Shepparton Arts Festival, Visual Arts Director Midsumma Festival, as well as consulting with local city councils on events and festivals. Ros' Board appointments have included Shepparton Arts Festival Inc and Midsumma Festival.

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 14 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 General Manager Residential for Ingenia Communities. Prior to joining Ingenia Communities, Justin spent seven years at Vicinity Centres, a world leading top 30 ASX retail property group owning and managing circa \$20 billion of commercial real estate. Most recently, he held the position of Director of Shopping Centre Management. In this role, Justin was responsible for the strategic asset management of Vicinity's 56 core shopping centre assets across Australia, including the country's leading outlet brand DFO.

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.

TIM NORTHEAST

Tim Northeast is an entrepreneurial owner and operator of several hospitality and music venues in inner Melbourne including the iconic Corner Hotel.

Having built all of his businesses from the ground up, Tim has a strong understanding of the issues facing small and medium sized businesses and has extensive experience in the entertainment and hospitality industries as well as strong skills in team building, financial management and property management. Tim's previous Director appointments include Board Director and Chair of Music Victoria, the peak body for contemporary music in Victoria.

MICHAEL SOKULSKI

Michael Sokulski is a chartered accountant and finance professional. Michael commenced his career with EY where he spent 10 years working across a variety of accounting, finance and financial governance projects. More recently Michael has held senior finance roles at Medibank, Aurecon and Atlas Arteria. Michael has extensive business and finance experience, including the delivery of financial assurance projects, internal audits, compliance work, financial reporting analysis, budgeting and forecasting and M&A. He has advised on a variety of transactions including IPOs, acquisitions and business divestments across his previous roles and is focused on delivering sustainable financial outcomes. 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.