

The WR Johnston Trust Financial Statements For The Year Ended 30 June 2018

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Trustee's Declaration

The W.R. JOHNSTON TRUST is a charitable Trust created under the terms of a Deed of Trust dated 1st June 1987.

The Trustees have determined that the W.R. JOHNSTON TRUST is a non-reporting entity and the attached financial statements for the year ended 30 June, 2018 have therefore been prepared as a special purpose report for use by the Trustees. As the Trust is a non-reporting entity there is no requirement for the financial statements to comply with accounting standards or other mandatory professional reporting requirements.

The financial statements have been prepared by the Trustees with the objective of providing financial information which will give a true and fair view of the affairs of the Trust as at 30 June, 2018 and of the results of its operations for the year ended on that date.

The financial statements and notes, set out on pages 2 to 11, present fairly the Trust's financial position as at 30 JUNE 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.

The Trustees have formed the opinion that, at the date of this report, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

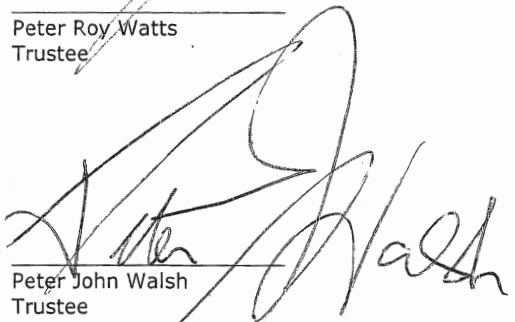
Dated the 23rd day of November, 2018



Peter Roy Watts
Trustee



Graeme Leslie Blackman
Trustee



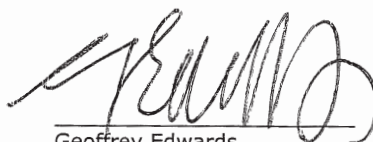
Peter John Walsh
Trustee



Jane Louise Scott
Trustee



Judith Ann Williams
Trustee



Geoffrey Edwards
Trustee

2018

Comprehensive Income Statement for the year ended 30 June 2018

	2018	2017
	\$	\$
INCOME		
Museum Income	192,382	245,521
Rental Income	89,616	63,998
Investment Income	269,560	196,490
Friends Income	35,360	41,334
Fundraising Income	37,080	206,794
TOTAL INCOME	623,998	754,137
EXPENSES		
Museum Expenses	210,762	236,579
Rental Expenses	19,425	26,955
Investment Expenses	18,075	16,408
Administrative Expenses	468,884	461,973
Friends Expenses	35,301	38,114
Fundraising Expenses	6,815	10,877
Other Expenses	8,219	11,057
TOTAL EXPENSES	767,481	801,964
NET SURPLUS/(DEFICIT) FOR THE YEAR	-143,483	-47,827
Revenue Reserves at closing of prior year	3,679,018	3,726,845
REVENUE RESERVES AT END OF THE YEAR	3,535,535	3,679,018

2018

Statement of Financial Position as at 30 June 2018

		2018 \$	2017 \$
TRUST FUNDS	Note		
Corpus of Trust		3,550,412	3,550,412
The Nina Stanton 18th Century Porcelain Bequest Fund		298,030	296,078
Alwynne Jona Bequest		50,522	50,348
Revenue Reserves		3,535,535	3,679,018
Asset Revaluation Reserve		883,927	883,927
TOTAL TRUST FUNDS		8,318,426	8,459,782
Represented By:			
CURRENT ASSETS			
Cash			
Cash at Bank & On Hand		552,271	483,634
The Friends Petty Cash Float		200	200
The Nina Stanton Bequest Term Deposit		74,393	137,353
The 25th Anniversary Porcelain Fund Term Deposit		17,562	17,136
Total Cash		644,427	638,322
Inventory			
Goods for Resale		19,224	15,124
Total Inventory		19,224	15,124
Receivables			
Debtors	4	13,019	11,942
GST Account		5,425	3,429
Total Receivables		18,444	15,371
Other			
Prepayments		37,277	36,226
Total Other		37,277	36,226
TOTAL CURRENT ASSETS		719,371	705,044
NON CURRENT ASSETS			
Property, Plant & Equipment	5	5,449,395	5,440,835
Investments			
Unrealised Capital Gain		545,821	506,612
Shares in Listed Companies and Trusts - at cost (Market Value - \$2,236,429; 2017 - \$2,425,095)		1,690,607	1,918,483
Total Investments		2,236,429	2,425,095
TOTAL NON CURRENT ASSETS		7,685,823	7,865,930
TOTAL ASSETS		8,405,194	8,570,973
CURRENT LIABILITIES			
Trade Creditors		9,272	30,438
Sundry Creditors		2,820	5,229
Accrued Audit Fees		5,500	5,500
Deposit Received		-	-
Friends of Johnston Collection Holding Account	3	59	-
PAYG Withholding Tax Payable		2,920	2,846
Provision for Annual Leave		25,506	30,818
Provision for Long Service Leave		36,319	28,490
TOTAL CURRENT LIABILITIES		82,396	103,321
NON CURRENT LIABILITIES			
Capital Lease - Sharp Copier MX-2640N		4,373	7,871
TOTAL NON CURRENT LIABILITIES		4,373	7,871
TOTAL LIABILITIES		86,769	111,191
NET ASSETS		8,318,426	8,459,782

The accompanying notes form part of these financial statements.

Statement of Cash Flow as at 30 June 2018

	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	239,774	498,876
Rental & Investment Income	360,885	261,601
Payments to suppliers and employees	-670,254	-709,535
Friends Holding	-	-
Net cash provided by (used in) operating activities	1(a) -148,013	50,943
CASH FLOWS FROM INVESTING ACTIVITIES		
Redevelopment of Properties	0	-5,607
Additions to Museum Collection	-56,296	-87,692
Acquisition of property, plant and equipment	-5,017	-35,080
Proceeds from Shares	227,876	228,696
Net cash provided by (used in) investing activities	155,489	98,873
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Bequests / Donations	2,126	3,223
Repayment of borrowings	-3,498	-3,498
Net cash provided by (used in) financing activities	-1,372	-275
OTHER ACTIVITIES		
Net increase (decreases) in cash held	6,104	149,447
Cash and cash equivalents at beginning of financial year	638,323	488,875
Cash and cash equivalents at end of financial year	1 644,427	638,323

Note 1 Cash and Cash Equivalents

Cash at Bank & On Hand	552,271	483,634
The Friends Petty Cash Float	200	200
The Nina Stanton Bequest Term Deposit	74,393	137,353
The 25th Anniversary Porcelain Fund Term Deposit	17,562	17,136
Total Cash	644,427	638,323

Notes to the Financial Statements for the year ended 30 June 2018

Note 1.(a) – Reconciliation of Cash Flow from Operations with Surplus after Income Tax

	2018	2017
	\$	\$
Net income (loss) for the period	-143,483	-47,827
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	63,827	54,917
Net unrealised (gain)/ loss on Shares	-39,209	47,837
Changes in assets and liabilities		
(increase)/decrease in receivables	-2,980	8,562
(increase)/decrease in other assets	-1,050	-3,340
(increase)/decrease in inventories	-4,100	6,995
Increase/(decrease) in payables	-21,017	-16,201
	<u>-148,013</u>	<u>50,943</u>

Note 2 – Information and Summary of Significant Accounting Policies

This Financial report is a special purpose financial report prepared for use by the trustees. The trustees have determined that the trust is not a reporting entity and therefore there is no requirement to apply Australian equivalents to International Financial Reporting Standards (IFRS) or any other mandatory professional reporting requirements in the preparation and presentation of these statements.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Except where noted, the accounting policies have been consistently applied.

The Trustees resolved in 2015-16 that freehold land and buildings and museum collections acquired by the Trust should be recognised at their current valuations. This has continued to be the practice and applied in the financial statements for 2017-18 as the accounting policy for the measurement of freehold land and buildings and museum collections acquired by the Trust.

Revaluation adjustments are recorded directly through equity as part of revaluation reserve. Previously freehold land and buildings were recognised and measured at cost.

Revenue Recognition

Museum income is recognized when received. Rental income is recognized when received. Investment income is recognized as it accrues.



Notes to the Financial Statements for the year ended 30 June 2018

	2018 \$	2017 \$
Note 3 - Friends of Johnston Collection Holding Account		
Opening Balance	-	196
Add Income earned by Friends during year	35,360	41,334
Less Expenses incurred by Friends during year	-35,301	-38,114
Less Surplus transferred to Opening Door and Support of Vernon System	-	-3,415
Closing Balance	<u>59</u>	<u>-</u>
Note 4 - Debtors		
Dividend Imputation Credits Refundable	10,711	12,180
Sales Collection Account	2,308	-238
Total Debtors	<u>13,019</u>	<u>11,942</u>
Note 5 - Property, Plant & Equipment		
Motor Vehicles		
At Cost	48,791	48,791
less Accumulated Depreciation	<u>-48,791</u>	<u>-48,791</u>
Furniture & Fittings		
At Cost	441,852	440,800
less Accumulated Depreciation	<u>-280,708</u>	<u>-228,783</u>
Computer Software	161,144	212,017
At Cost	41,574	37,609
less Accumulated Depreciation	<u>-29,593</u>	<u>-19,177</u>
Website Development	11,981	18,432
At Cost	12,519	1,445
less Accumulated Depreciation	<u>-1,486</u>	<u>-</u>
	11,033	1,445
Additions to Museum Collection		
At Cost	<u>461,755</u>	<u>405,459</u>
	461,755	405,459
Freehold Land and Buildings		
- 152 Hotham Street		
Stage 1 Redevelopment Cost	1,088,346	1,088,346
	<u>1,088,346</u>	<u>1,088,346</u>
- 150 Hotham Street		
At Cost	582,840	582,840
Capital Improvements	111,824	111,824
Revaluation	1,005,809	1,005,809
Stage 1A Redevelopment Cost	84,140	84,140
	<u>1,784,613</u>	<u>1,784,613</u>
- 148 Hotham Street		
At Cost	2,051,882	2,051,882
Capital Improvements	523	523
Revaluation	<u>-121,882</u>	<u>-121,882</u>
	1,930,523	1,930,523
Total Property, Plant & Equipment	<u>5,449,395</u>	<u>5,440,835</u>



Notes to the Financial Statements for the year ended 30 June 2018

Note 6 – Trust Funds

The value of the Trust Corpus does not include any amount in respect of the two freehold properties and Museum Collection which were bequeathed to the Trust by Mr. William R. Johnston. It is the policy of the Trust Corpus to disclose the current market value of the two freehold properties and Museum Collection which were bequeathed by Mr. William R. Johnston, but not to recognise these assets. At last valuation, the values of these assets were as follows:

- 152 Hotham Street (valuation at 14th March 2014)	\$1,610,000
- 154-156 Hotham Street (valuation at 14th March 2014)	\$3,080,000
- Museum Collection (valuation at 24th July 2012)	\$8,885,445

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Income Statement for the year ended 30 June 2018

MUSEUM OPERATIONS	2018	2017
	\$	\$
MUSEUM INCOME		
House Tours	81,252	102,705
Lecture - Program	22,560	17,996
Melbourne Food & Wine Festival	7,320	5,340
Sale of Cards & Other Goods	71,388	66,199
Donations Received	9,863	53,280
Fundraising	37,080	206,794
Friends of the Johnston Collection	35,360	41,334
TOTAL MUSEUM INCOME	264,822	493,649
PUBLIC PROGRAM EXPENSES		
Advertising	17,134	20,010
Catering	2,752	2,332
Computer Maintenance	17,385	15,262
Cost of Sales - Cards & Other Goods	41,727	44,794
Courtesy Van	4,050	3,492
House Tours	29,492	51,166
Lecture Program Costs	8,848	10,097
Melbourne Food & Wine Festival	6,555	4,612
Online Booking System	5,587	6,185
Photography	3,600	2,251
Postage & Couriers	1,008	2,390
Printing & Stationery	15,141	22,705
Volunteer Guides Expenses	8,616	12,025
TOTAL PUBLIC PROGRAM EXPENSES	161,895	197,321
COLLECTION EXPENSES		
Acquisitions - Library	23	-
Collection Database System	487	477
Conservation & Repairs	891	284
MAP (accreditation) Fees	128	113
Removal/Storage	347	2,602
TOTAL COLLECTION EXPENSES	1,876	3,476
BUILDINGS & GROUNDS EXPENSES		
Cleaning	3,297	2,820
Collection Property Maintenance	1,178	423
Garden	2,364	2,573
Gas & Electricity	11,098	10,961
Rates & Taxes	19,395	3,728
Repairs & Maintenance	6,353	11,039
Security	3,306	4,238
TOTAL BUILDING & GROUNDS EXPENSES	46,991	35,782



Income Statement for the year ended 30 June 2018

	2018	2017
ADMINISTRATION EXPENSES	\$	\$
Audit Fees	5,000	5,000
Bank Charges	1,734	2,365
Company Secretarial Fee	429	249
Depreciation	63,827	54,917
Donations	130	-
FBT Expense	274	1,664
General/Travelling Expenses	1,761	2,122
Insurance	31,358	28,655
Legal Fees	2,150	-
License and Permit	1,689	570
Marketing - Annual Report	180	3,732
Professional Development	3,110	2,530
Provision for Annual Leave	22,203	22,385
Provision for Long Service Leave	7,830	4,642
Salaries	280,174	285,281
Subscriptions	4,136	4,426
Superannuation	28,534	28,461
Telephone	6,672	7,351
Trustee Expenses	4,570	4,601
Workcover	3,123	3,023
TOTAL ADMINISTRATION EXPENSES	468,884	461,973
FRIENDS OF THE JOHNSTON COLLECTION EXPENSES		
Support of Johnston Collection	23,424	24,332
Donations	-	35
Events & Catering	10,761	11,357
General	434	566
Printing & Stationery	78	557
Postage	604	1,268
TOTAL FRIENDS OF THE JOHNSTON COLLECTION EXPENSES	35,301	38,114
FUNDRAISING EXPENSES		
Cocktails Party - Catering	5,032	-
Cocktails Party - General	595	-
Gala Dinner - Catering	-	6,942
Gala Dinner - General	-	1,302
Gala Dinner - Marketing	-	768
Opening Door - General	765	922
Opening Door - Marketing	423	943
TOTAL FUNDRAISING EXPENSES	6,815	10,877
TOTAL MUSEUM EXPENSES	721,762	747,543
TOTAL MUSEUM OPERATIONS SURPLUS / (DEFICIT)	-456,940	-253,894
RENTAL INCOME		
Rental Income	89,616	63,998
Rental Expenses	-19,425	-26,955
NET RENTAL INCOME	70,191	37,043
INVESTMENT INCOME		
Dividends Received	73,065	81,194
Dividend Imputation Credit Refund	10,711	12,180
Realised Capital Gain/(Loss)	232,705	161,298
Unrealised Capital Gain/(Loss)	-48,712	-60,030
Interest Received	1,791	1,848
Investment Expenses	-18,075	-16,408
TOTAL INVESTMENT INCOME	251,485	180,082
NET OPERATING SURPLUS / (DEFICIT)	-135,264	-36,769

Income Statement for the year ended 30 June 2018

	2018 \$	2017 \$
OTHER INCOME/(EXPENSES)		
Transfer of Friends Deficit / (Surplus) from/(to) Holding Account	-59	-3,219
Discount Taken	158	-
Grant Income	10,000	-
Grant Expense	-16,510	-6,818
Investment Taxes - CS	-1,808	-2,120
Other Income/ (Expense)	-	1,100
TOTAL OTHER INCOME/(EXPENSES)	-8,219	-11,057
NET SURPLUS / (DEFICIT) FOR THE YEAR	-143,483	-47,827
Revenue Reserves at closing of last year	3,679,018	3,726,845
REVENUE RESERVES AT END OF THE YEAR	<u>3,535,535</u>	<u>3,679,018</u>

2018

**Orr, Martin & Waters**

C H A R T E R E D A C C O U N T A N T S

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The Trustees
The W R Johnston Trust
P O Box 79
EAST MELBOURNE VIC 8002

Review of the W R Johnston Trust Financial Report

We have reviewed the accompanying 30 June 2018 special purpose financial report of The W R Johnston Trust, which comprises the statement of financial position as at 30 June 2018, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, as set out on pages 1 to 7, in accordance with the accounting policies outlined in note 1, other selected explanatory notes and the statement by the trustees.

The Trustees' Responsibility for the 30 June 2018 Financial Report

The Trustees of the trust are responsible for the preparation and fair presentation of the 30 June 2018 financial report and have determined that the accounting policies described in note 1 to the financial report are appropriate to meet the financial reporting requirements in accordance with the trust deed and the needs of the trustees. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 30 June 2018 financial report to ensure it is free from material misstatement, whether due to fraud or error, together with selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the 30 June 2018 financial report based on our review. We conducted our review in accordance with Standard on Review Engagements ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the trustees applicable financial reporting framework. ASRE 2400 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review of a 30 June 2018 financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the 30 June 2018 financial report of The W R Johnston Trust does not present fairly, in all material respects, the financial position of the trust as at 30 June 2018, and of its financial performance and its cash flows for the year ended on that date, in accordance with the trustees reporting framework described in Note 1 to the financial report.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our conclusion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the trustees of The W R Johnston Trust to comply with the financial reporting requirements of the trust deed. As such, the financial report may not be suitable for another purpose. Our report is intended solely for The W R Johnston Trust and should not be distributed to or used by parties other than the Trustees of The W R Johnston Trust.

ORR MARTIN & WATERS

ORR MARTIN & WATERS
Chartered Accountants

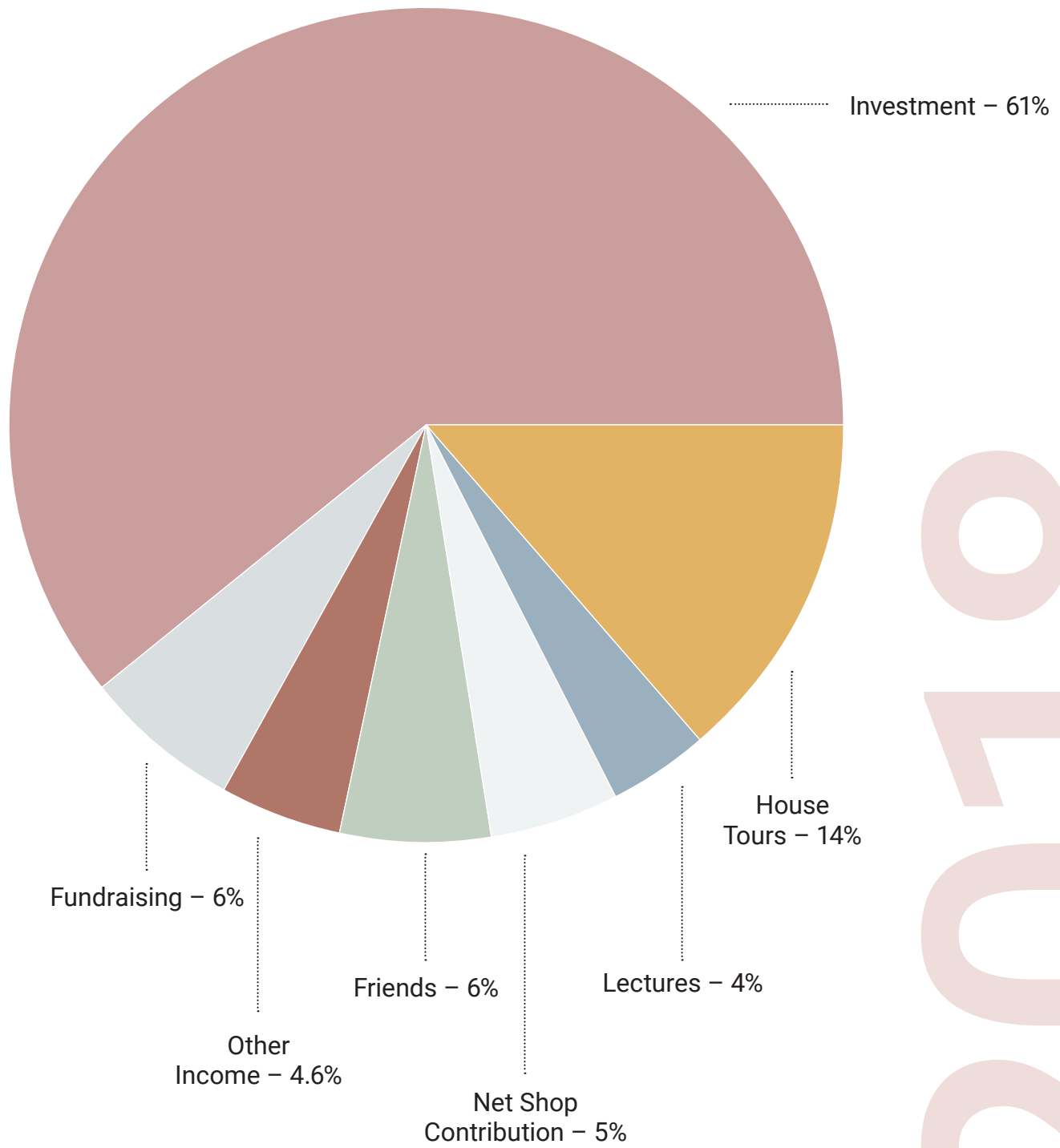
L R Gilmour

L R Gilmour
Partner

Date: 12/12/18

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Revenue



Expenses

