

The WR Johnston Trust Financial Statements For The Year Ended 30 June 2020

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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, 2020 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, 2020 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 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.

Significant Changes in the State of Affairs

Although no significant change in the state of affairs of the Trust occurred during the financial year, the state of affairs was affected by actions out of the Trustees control.

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid spread of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020.

This led to the cessation of all functions and events and other related activity from March 2020, and resulted in a significant decline in net cash flows from operations in the months to year end.

Timing of the lifting of remaining restrictions remain uncertain at the date of this report, and the overall financial impact cannot yet be reliably estimated. However, the trust does have sufficient cash reserves to continue operations, at a minimum, for the next 12 months.

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 *20* day of *November*, 2020

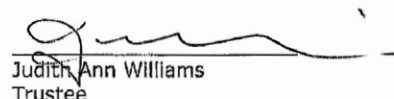


Graeme Leslie Blackman
Trustee



Jane Louise Scott
Trustee

Timothy Kevin Murphy
Trustee



Judith Ann Williams
Trustee



Geoffrey Robert Edwards
Trustee

2020

Comprehensive Income Statement for the year ended 30 June 2020

	2020	2019
	\$	\$
INCOME		
Museum Income	135,381	171,434
Rental Income	90,789	91,495
Investment Income	37,617	217,982
The Friends Income	32,017	39,225
Fundraising Income	34,341	53,137
Other Income	85,219	10,046
TOTAL INCOME	415,363	583,319
EXPENSES		
Museum Expenses	218,165	199,966
Rental Expenses	20,612	27,256
Investment Expenses	15,826	18,422
Administrative Expenses	440,164	474,136
The Friends Expenses	31,947	32,892
Fundraising Expenses	5,991	7,886
TOTAL EXPENSES	732,704	760,559
NET SURPLUS/(DEFICIT) FOR THE YEAR	(317,341)	(177,240)
Revenue Reserves at closing of prior year	3,358,294	3,535,535
REVENUE RESERVES AT END OF THE YEAR	3,040,953	3,358,294

2020

Statement of Financial Position as at 30 June 2020

		2020 \$	2019 \$
TRUST FUNDS			
Corpus of Trust		3,550,412	3,550,412
The Nina Stanton 18th Century Porcelain Bequest Fund		301,157	299,696
Alwynne Jona Bequest		50,725	50,672
Asset Revaluation Reserve		883,927	883,927
Revenue Reserves		<u>3,040,953</u>	<u>3,358,294</u>
TOTAL TRUST FUNDS		<u>7,827,175</u>	<u>8,143,001</u>
Represented By:			
CURRENT ASSETS			
Cash			
Cash at Bank & On Hand		132,266	64,283
The Friends Petty Cash Float		200	200
The Nina Stanton Bequest Term Deposit		77,520	76,059
Alwynne Jona Bequest		<u>41,105</u>	<u>49,543</u>
Total Cash		251,091	190,107
Inventory			
Goods for Resale		<u>24,873</u>	<u>20,191</u>
Total Inventory		24,873	20,191
Receivables			
Debtors	4	7,132	17,702
GST Account		<u>8,698</u>	<u>4,476</u>
Total Receivables		15,830	22,178
Other			
Prepayments		23,238	5,033
JobKeeper Subsidy Receivable		<u>12,000</u>	<u>-</u>
Total Other		35,238	5,033
TOTAL CURRENT ASSETS		<u>327,033</u>	<u>237,508</u>
NON CURRENT ASSETS			
Property, Plant & Equipment	5	5,395,590	5,417,049
Future Planning		<u>19,084</u>	<u>19,084</u>
		5,414,674	5,436,133
Investments			
Unrealised Capital Gain		570,442	508,263
Fixed Income & Similar Investments		586,545	489,969
Shares in Listed Companies and Trusts - at cost (Market Value - \$1,577,041; 2019 - \$2,076,725)		<u>1,006,599</u>	<u>1,568,462</u>
Total Investments		2,163,586	2,566,694
TOTAL NON CURRENT ASSETS		<u>7,578,260</u>	<u>8,002,828</u>
TOTAL ASSETS		<u>7,905,293</u>	<u>8,240,336</u>
CURRENT LIABILITIES			
Trade Creditors		12,254	27,466
Sundry Creditors		3,380	4,082
Accrued Audit Fees		5,500	5,500
Deposit Received		3,617	3,546
The Friends of Johnston Collection Holding Account	3	529	6,392
PAYG Withholding Tax Payable		-	3,828
Provision for Annual Leave		20,729	20,192
Provision for Long Service Leave		<u>32,109</u>	<u>26,330</u>
TOTAL CURRENT LIABILITIES		<u>78,118</u>	<u>97,335</u>
NON CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>78,118</u>	<u>97,335</u>
NET ASSETS		<u>7,827,175</u>	<u>8,143,001</u>

2020

Statement of Cash Flow as at 30 June 2020

	2,020	2,019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	158,663	307,244
Rental & Investment Income	29,789	301,358
Payments to suppliers and employees	(577,629)	(642,704)
The Friends Holding	70	-
Net cash provided by (used in) operating activities	1(a) (389,107)	(34,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Museum Collection	(8,689)	(4,621)
Website Development	4,767	(8,442)
Future Planning	-	(19,084)
Acquisition of property, plant and equipment	(12,790)	(17,689)
Proceeds from Shares	561,864	122,145
Net cash provided by (used in) investing activities	545,152	72,309
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Bequests / Donations	1,515	1,816
Repayment of borrowings	-	(4,373)
Net cash provided by (used in) financing activities	1,515	(2,557)
OTHER ACTIVITIES		
Net increase (decreases) in cash held	157,560	35,649
Cash and cash equivalents at beginning of financial year	680,076	644,427
Cash and cash equivalents at end of financial year	1 837,636	680,076

2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 1 Cash and Cash Equivalents

Cash at Bank & On Hand	718,811	554,274
The Friends Petty Cash Float	200	200
The Nina Stanton Bequest Term Deposit	77,520	76,059
Alwynne Jona Bequest	41,105	49,543
Total Cash	<u>837,636</u>	<u>680,076</u>

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

	2,020	2,019
	\$	\$
Net income (loss) for the period	(317,341)	(177,240)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	38,171	63,097
Net unrealised (gain)/ loss on Shares	(62,180)	37,559
Changes in assets and liabilities		
(increase)/decrease in receivables	6,348	(3,734)
(increase)/decrease in other assets	(30,206)	32,244
(increase)/decrease in inventories	(4,682)	(967)
Increase/(decrease) in payables	(19,217)	14,939
	<u>(837,636)</u>	<u>(34,103)</u>

Note 2 – Information and Summary of Significant Accounting Policies

The trustees have determined that the trust is not a reporting entity because there are no users dependent on general purpose financial statements. The financial report is a special purpose financial report which has been prepared in order to satisfy the terms of the trust deed.

These financial statements have been prepared in accordance with following Australian Accounting Standards:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1031	Materiality
AASB 1054	Australian Additional Disclosures

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 2020-21 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.

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Notes to the Financial Statements for the year ended 30 June 2020

	2020 \$	2019 \$
Note 3 -The Friends of Johnston Collection Holding Account		
Opening Balance	6,392	59
Add Income earned by Friends during year	32,017	39,225
Less Expenses incurred by Friends during year	-31,947	-32,892
Less Surplus transferred to Opening Door and Support of Vernon System	-5,932	-
Closing Balance	<u>529</u>	<u>6,392</u>

Note 4 - Debtors		
Dividend Imputation Credits Refundable	7,112	17,626
Other Debtor	-	76
Sales Collection Account	20	-
Total Debtors	<u>7,132</u>	<u>17,702</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	452,636	448,062
less Accumulated Depreciation	<u>-358,067</u>	<u>-330,448</u>
Computer Software		
At Cost	61,268	53,053
less Accumulated Depreciation	<u>-46,270</u>	<u>-39,271</u>
Website Development		
At Cost	16,194	20,961
less Accumulated Depreciation	<u>-8,718</u>	<u>-5,165</u>
	7,476	15,796
Additions to Museum Collection		
At Cost	<u>475,066</u>	<u>466,376</u>
	475,066	466,376
Freehold Land and Buildings		
- 152 Hotham Street		
Stage 1 Redevelopment Cost	<u>1,088,346</u>	<u>1,088,346</u>
	1,088,346	1,088,346
- 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	<u>84,140</u>	<u>84,140</u>
	1,784,613	1,784,613
- 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>5,395,590</u>	<u>5,417,049</u>

2020

Notes to the Financial Statements for the year ended 30 June 2020

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

Note 7 – Income Tax

The trust is a tax exempt entity and as such no provision for income tax is necessary.

Note 8 – COVID-19

The financial performance for the year was principally affected by the impact of COVID-19, which resulted in reduced income due to lower visitor numbers, whilst in the same timeframe expenditure could not be contained at the same rate as the income reduction.

Note 9 - After Balance Date Events

Other than the ongoing unknown effects of COVID-19, which currently cannot be accurately assessed, there have been no significant events occurring after balance date which may affect either the Trust's operations, or results of those operations, or the Trust's state of affairs.

2020

Income Statement for the year ended 30 June 2020

	2020	2019
	\$	\$
MUSEUM OPERATIONS		
MUSEUM INCOME		
House Tours	50,698	67,149
Lecture - Program	8,490	19,737
Melbourne Food & Wine Festival	1,855	4,473
Sale of Cards & Other Goods	61,042	67,362
Donations Received	13,296	12,714
Fundraising	34,341	53,137
The Friends of TJC	32,017	39,225
TOTAL MUSEUM INCOME	201,738	263,795
PUBLIC PROGRAM EXPENSES		
Advertising	13,734	13,264
Catering	2,103	1,710
Computer Maintenance	16,541	17,107
Cost of Sales - Cards & Other Goods	39,951	44,207
Courtesy Van	4,633	7,893
House Tours	40,444	16,659
Lecture Program Costs	2,940	8,705
Melbourne Food & Wine Festival	686	2,892
Merchant Fee	1,203	894
Online Booking System	4,780	6,628
Photography	4,600	2,945
Postage & Couriers	1,058	749
Printing & Stationery	9,435	13,996
Volunteer Guides Expenses	5,779	6,419
TOTAL PUBLIC PROGRAM EXPENSES	147,887	144,069
COLLECTION EXPENSES		
Acquisitions - Collection	-	640
Acquisitions - Library	172	29
Collection Database System	7,855	21,686
Conservation & Repairs	16,490	207
MAP (accreditation) Fees	-	409
Removal/Storage	81	369
TOTAL COLLECTION EXPENSES	24,599	23,340
BUILDINGS & GROUNDS EXPENSES		
Cleaning	3,018	4,021
Cleaning - COVID-19	2,503	-
Collection Property Maintenance	-	1,067
Garden	3,486	2,586
Gas & Electricity	8,318	11,897
Rates & Taxes	5,959	5,923
Repairs & Maintenance	17,092	3,621
Security	5,305	3,441
TOTAL BUILDING & GROUNDS EXPENSES	45,679	32,557

2020

Income Statement for the year ended 30 June 2020

	2020	2019
	\$	\$
ADMINISTRATION EXPENSES		
Audit Fees	5,000	5,000
Awards Application	119	59
Bank Charges	787	1,364
Company Secretarial Fee	1,266	263
Depreciation	38,171	62,223
FBT Expense	950	1,055
General/Travelling Expenses	2,131	1,885
Insurance	32,689	32,043
Legal Fees	2,443	6,897
License and Permit	1,319	555
Operating Lease - Sharp Copier	2,700	225
Penalty and Fines	165	-
Professional Development	991	5,372
Provision for Annual Leave	21,710	21,845
Provision for Long Service Leave	5,779	4,157
Quarantine/Customs Fees	-	60
Recruitment	706	1,069
Salaries	272,006	280,135
Salaries - Jobkeeper Payment	6,374	-
Subscriptions	2,715	4,216
Superannuation	27,148	28,364
Telephone	7,422	7,238
Trustee Expenses	4,747	6,714
Work Health & Safety	-	183
Workcover	2,827	3,217
TOTAL ADMINISTRATION EXPENSES	440,164	474,136
THE FRIENDS OF TJC EXPENSES		
Support of Johnston Collection	22,132	22,665
Events & Catering	7,944	8,530
General	896	972
Subscriptions	300	60
Printing & Stationery	303	155
Postage	371	510
TOTAL THE FRIENDS OF TJC EXPENSES	31,947	32,892
FUNDRAISING EXPENSES		
Cocktails Party - Catering	-	4,864
Cocktails Party - General	-	497
Trust Dinners - Catering	2,174	-
Opening Door - General	3,002	1,932
Opening Door - Marketing	815	593
TOTAL FUNDRAISING EXPENSES	5,991	7,886
TOTAL MUSEUM EXPENSES	696,267	714,881
TOTAL MUSEUM OPERATIONS SURPLUS / (DEFICIT)	-494,528	-451,086
RENTAL INCOME		
Rental Income	90,789	91,495
Rental Expenses	-20,612	-27,256
NET RENTAL INCOME	70,177	64,239

2020

Income Statement for the year ended 30 June 2020

	2020	2019
	\$	\$
INVESTMENT INCOME		
Dividends Received	83,530	82,417
Dividend Imputation Credit Refund	7,112	17,626
Realised Capital Gain/(Loss)	24,339	180,018
Unrealised Capital Gain/(Loss)	-81,165	-63,793
Interest Received	3,801	1,714
Investment Expenses	-15,826	-18,422
TOTAL INVESTMENT INCOME	21,792	199,560
NET OPERATING SURPLUS / (DEFICIT)	-402,560	-187,286
OTHER INCOME / (EXPENSES)		
Transfer of The Friends Deficit / (Surplus) from/(to) Holding Account	-70	-6,333
Discount Taken	-	1,000
Insurance Recovery	9,200	-
Government Grants/Subsidy	72,309	-
Other Grant Income	-	27,500
Grant Expense	-1,000	-14,400
Investment Taxes - CS	-1,206	-1,714
Other Income/ (Expense)	5,986	3,993
TOTAL OTHER INCOME / (EXPENSES)	85,219	10,046
NET SURPLUS / (DEFICIT) FOR THE YEAR	-317,341	-177,240
Revenue Reserves at closing of last year	3,358,294	3,535,535
REVENUE RESERVES AT END OF THE YEAR	3,040,953	3,358,294

2020

Review of the WR Johnston Trust Financial Report

OMW Orr, Martin & Waters
CHARTERED ACCOUNTANTS

Street Address:	Postal Address:
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ABN 38 643 502 827	Tel: 9836 8222 Fax: 9836 8331

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 2020 special purpose financial report of The W R Johnston Trust, which comprises the statement of financial position as at 30 June 2020, 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 2020 Financial Report

The Trustees of the trust are responsible for the preparation and fair presentation of the 30 June 2020 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 2020 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 2020 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 2020 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.

Review of the WR Johnston Trust Financial Report

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 2020 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 2020, 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

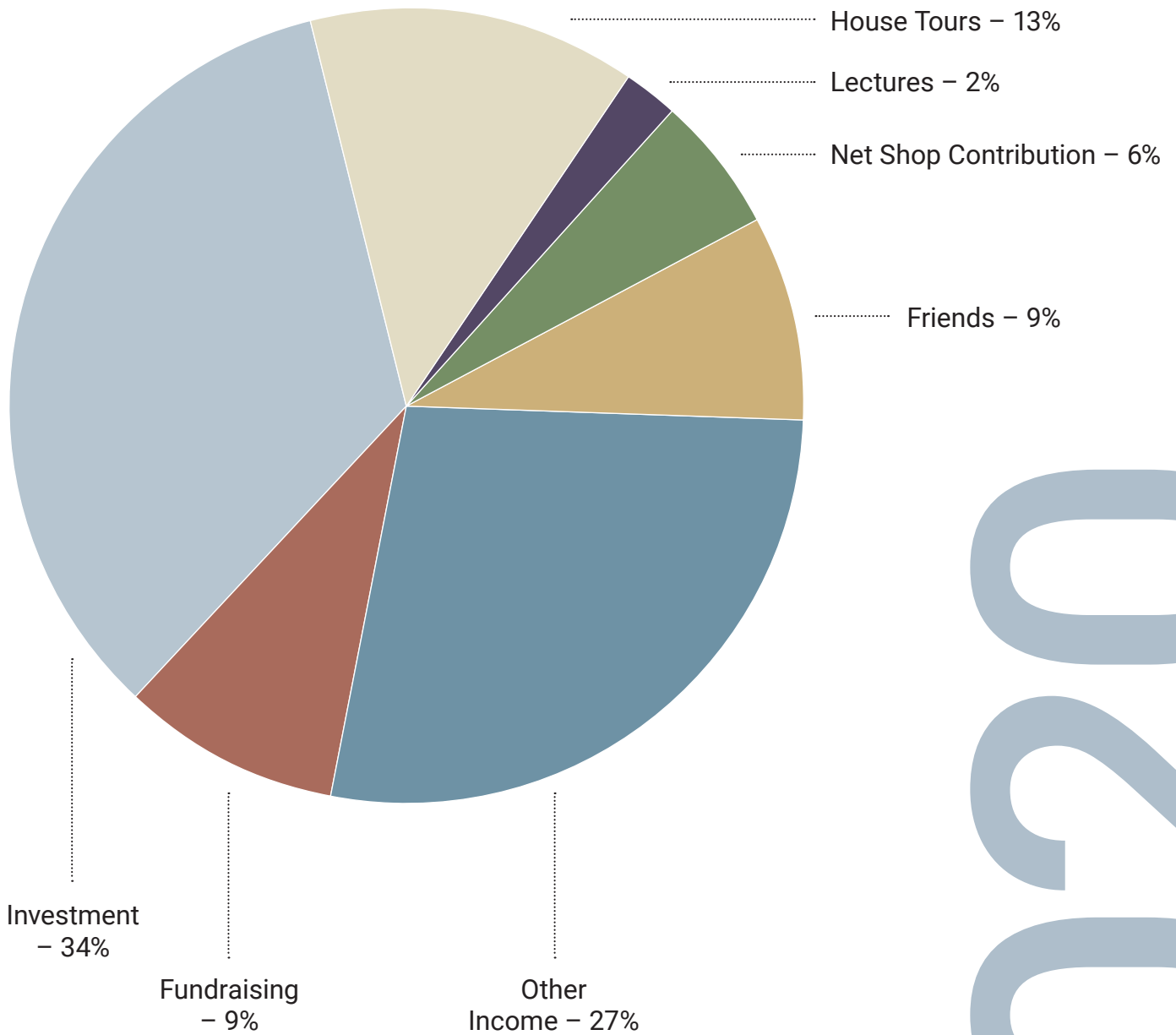
L R Gilmour

Date: 20 November 2020

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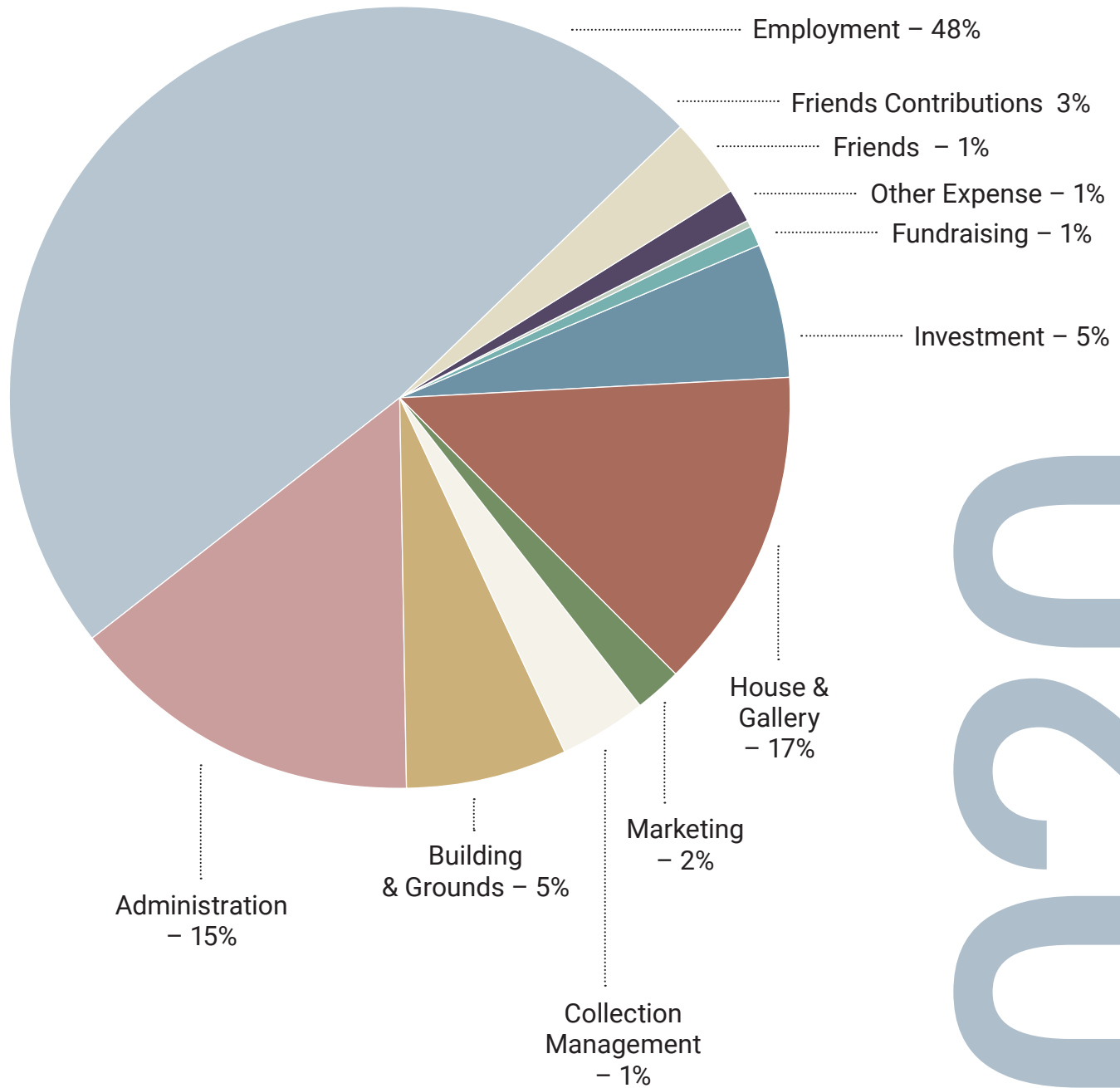
2020

Revenue



2020

Expenses



2020