

# YEAR IN REVIEW 2005 ANNUAL REPORT





# ■ MUSEUM OF CONTEMPORARY ART ■

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Museum of Contemporary Art  
Photograph: Cameron Boom

The Museum of Contemporary Art is Australia's only contemporary art museum dedicated to collecting and exhibiting contemporary art and engaging in discussion and debate on contemporary visual cultural issues.

Situated in central Sydney at West Circular Quay, the entrance to Sydney's historic Rocks precinct, the MCA seeks to make contemporary art accessible for a broad spectrum of public audiences through a diverse range of exhibitions incorporating new and more traditional media, stimulating and hands-on educational programs and special events.

The Museum of Contemporary Art is assisted by the NSW Government through ARTS NSW and by the Australian Government through the Australia Council, its arts funding and advisory body, and the Visual Arts and Craft Strategy, an initiative of the Australian, State and Territory Governments. The MCA was established by the University of Sydney through the JW Power Bequest, with assistance from the New South Wales Government.



# CHAIRMAN'S MESSAGE

2005 was a year in which we achieved a major milestone: the launch of a gallery space for the MCA's permanent collection for the very first time. The Museum has also begun to collect again, concentrating on Australian art. This focus on the collection consolidates the MCA's national position as the only museum dedicated to both collecting and exhibiting contemporary art. It's wonderful to see such goals reached and to see the MCA thriving in this way.

I would like to thank the NSW State Government and in particular, the NSW Ministry for the Arts for their ongoing support of the MCA. I would also like to acknowledge the Sydney Harbour Foreshore Authority, with whom we are working closely to improve all visitor facilities and access to the MCA building. The Museum also gratefully acknowledges the 'Key Organisation' grant funding that we receive from the Australian Federal Government through the Australia Council, its arts funding and advisory body and also to the Department of Communications, Information Technology and the Arts for their support of our national and regional touring projects through the allocation of a Visions of Australia touring grant.

I would also like to highlight the vital role MCA Leading Sponsor Telstra has played in revitalising the MCA over the past few years. Telstra's commitment to the MCA by sponsoring the removal of admission charges has demonstrated the wide appeal of contemporary art. I am particular delighted that 2005 saw another record year in terms of numbers, with over 380,000 visitors.

On behalf of the Museum I would like to thank my fellow Board members—Andrew Love, Partner, Ferrier Hodgson Chartered Accountants, Peter Ivany, Executive Chairman, Ivany Investment Group, Peter Steigrad, previously Chairman, Young & Rubicam; Lucy Turnbull, Turnbull and Partners, Carol Schwartz, General Manager Highpoint Property and Greg Woolley, LJC Investment Group.

Welcome to three new Board members who joined the MCA during 2005: Mikala Dwyer, Artist; Matthew Cullen, Channel 7 and Catherine Harris, Executive Director, Harris Farm Markets.

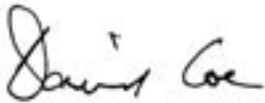
Thank you to Terri Janke, Solicitor Director of Terri Janke & Company Pty Ltd for the contribution she made during her two year period on the Board. Terri took on the role of inaugural Chairman of the Indigenous Advisory Group which was established through her assistance in December 2003.



David Coe, MCA Chairman

# **THE MUSEUM HAS ALSO BEGUN TO COLLECT AGAIN, CONCENTRATING ON AUSTRALIAN ART.**

On behalf of the Board, my sincerest thanks go to the MCA staff, executives and volunteers for their continued dedication and commitment to the Museum. And of course to Director Elizabeth Ann Macgregor whose vision and leadership continues to take the museum to new heights, working in tandem with communities, artists and supporters.

A handwritten signature in black ink that reads "David Coe". The signature is written in a cursive, flowing style.

David Coe  
Chairman  
Museum of Contemporary Art

# DIRECTOR'S MESSAGE

2005 was a major year for the MCA. We presented work by some exceptional international artists, from Bridget Riley to Mona Hatoum and Kutlug Ataman. Our group shows such as *Situation* broke new ground and our events have captured some of the critical dialogues of contemporary art. We took great pleasure in celebrating the launch of our new Level 4 galleries, now a space dedicated to showing works from the MCA's permanent collection. And of course the relaunch of the collecting policy itself, which will focus on Australian art for the next few years, strengthening this core element of the museum. This was one of my key objectives in taking up the Directorship and I'm very pleased that the organisation is now in a position to forge ahead in this way.



Elizabeth Ann Macgregor,  
MCA Director

Opening in the summer, the exhibitions of Bridget Riley, Lee Bul and Destiny Deacon attracted crowds to the MCA. Working closely with Telstra we developed a special audio tour of the Bridget Riley exhibition utilizing Telstra's new i-mode technology. This initiative won a Mobile Marketing Award and was taken up by many visitors. Our supporters continue to help us not only bring high standards in artistic practice to the MCA, but also to access ever-widening audiences and this was a wonderful example of a partnership breaking new ground and achieving great results.

During summer we also offered bilingual tours for international visitors which resulted in an increase in multicultural audiences. This continued throughout the year with various events and exhibitions including *Mona Hatoum: Over my dead body* which opened alongside *the unquiet landscapes of Rosemary Laing* in autumn. During this season Level 4 was closed to the public for renovations.

The first half of the year also met with critical acclaim. Sebastian Smee (The Australian) wrote "Bridget Riley is the subject of a marvellous exhibition at Sydney's MCA... Riley is a giant among contemporary artists. I can think of few more stimulating experiences than visiting this show." Anne Kirker (Eyeline magazine) wrote "Mona Hatoum is rightly placed in the top echelons of the visual arts today and it is a major coup that the exhibition *Mona Hatoum: Over my dead body* is shown in this country."

In winter we presented a unique exhibition that brought together artists from Sydney, Singapore and Berlin to show the ways in which artists work in these cities, outside the museum walls. *Situation* brought the visitor into the world of the artist, offering



# **DURING SUMMER WE ALSO OFFERED BILINGUAL TOURS FOR INTERNATIONAL VISITORS WHICH RESULTED IN AN INCREASE IN MULTI- CULTURAL AUDIENCES.**

insights into contemporary practice such as video, artist books, installation and performance, but also into the relationships forged between artists. Alongside this the MCA presented a beautiful film-based exhibition of Kutlug Ataman, including a special off-site work *Kuba*, stationed in the Argyle Centre at The Rocks. Ataman's new film was premiered at the Sydney Film Festival.

In August the MCA opened its first space dedicated to the display of works from the permanent collection, after the southern end of Level 4 was renovated. The collection was moved off-site to a refurbished storage facility. This was a massive task for MCA preparatory and registration staff and it is a credit to them that this process went so smoothly. The launch of this new space and the relaunch of the collecting policy offered the opportunity for some international PR for the museum and we secured major coverage around these milestones.

At this time we piloted a new initiative, the film series "The Artist's Voice" which comprised interviews with artists on-site at the MCA, and was screened at the entrance to the exhibitions. From here we have begun to consider the broader possibilities offered by these films, and are now planning extended usage via the website.

In spring we celebrated *Primavera* with a focus on painting as well as the exhibition of mid-career artists, *Interesting Times*. The simultaneous showing of these two exhibitions brought to our attention the strong engagement with political ideas at work in the practices of young to mid-career Australian artists. This became a

highlight of the year, with both media and audiences taking note of this theme, and showing the power of artists to create, reflect and stimulate thinking about the complexities of life today.

The year ended with a strong summer season including the work of Erwin Wurm, Ed and Nancy Kienholz and Jacky Redgate. Redgate also curated a collection show to complement her own work, themed around 1967, the year of her own immigration to Australia and the year that the Power Collection began. Despite our expectations that Kienholz may stir some controversy, the exhibition instead attracted many new audiences drawn in by the direct nature of these works, and the humour of Erwin Wurm.

As in the first half of the year, the second half also attracted wide-spread positive media attention, now featuring in the international press as well as local and national.

Our corporate partnership continued to grow from strength to strength and this year we were proud to be finalists with Bimbadgen Estate Wines, in the annual ABAF awards. The 2005 wines featured works by *Primavera* artists and this tightened the link with the MCA's exhibition program—a great step forward.

*Primavera* received a lot of support this year and we extend a special thanks to our new sponsor—Deutsche Bank. Sharing a passion for supporting the creativity of young Australian artists, this was a partnership built on a very real common interest as Deutsche Bank relocated to their new building furnished with wonderful new collection of contemporary Australian art. *The Sydney Morning Herald* also supported the exhibition, working with us to include the “Young Writer of the Year” event. *Primavera* was also included in the City of Sydney “Art and About” project this year, as was the innovative Ricky Maynard project. As well as being included in *Interesting Times*, Ricky produced an additional body of work on massive billboards erected throughout Sydney. This was made possible by new funding through the Australia Council's “New Australian Stories” program and represents the MCA's interest in projects which extend beyond the walls of the museum.

Indigenous projects are gaining momentum not only through initiatives such as the Ricky Maynard project, but also through events such as *blakatak*. This was held over several months at the MCA, the result of intense planning by the Education department, MCA Indigenous and Torres Strait Islander Curator Keith Munro, and

Mona Hatoum  
*Light Sentence* 1992  
wire mesh lockers, slow  
moving motorised light bulb  
198 x 185 x 490 cm  
Mona Hatoum, Fonds  
national d'art contemporain,  
Ministère de la culture et  
de la communication, Paris,  
FNAC 94656 (1 à 39)  
© the artist




artist Brook Andrew. It is a challenge to create a space for the development of new ideas and dialogue without tying it to practical outcomes, and for this reason *blakatak* took the form of an experimental series. The events gave rise to some stimulating and often heated debate! This is an important focus for museum since the appointment of Keith Munro and we are working in approaching indigenous themes, interests and issues in ways that are sensitive and creative. The involvement of indigenous communities is integral and we are lucky to have the support and involvement of an increasing audience in this sector.

We have received support in various ways for exhibition during 2005 and I would like to express thanks to the following funding agencies:

The British Council for their assistance with the Mona Hatoum exhibition, The Goethe Institut Sydney, the National Arts Council Singapore and the Danish Arts Council Committee for International Visual Art for their contribution to *Situation*.

After the major achievements of 2005 I am excited by what is to come. My thanks go to the dedicated and hard-working staff, and to the Board, all of whom are a great support to the work of the MCA.

A handwritten signature in black ink, appearing to read 'Elizabeth Ann Macgregor', with a long, sweeping flourish extending to the right.

Elizabeth Ann Macgregor  
Director  
Museum of Contemporary Art



Rosemary Laing  
*bulletproofglass #2* 2002  
type C photograph on  
metallic photographic paper  
120.0 x 253.0 cm  
© the artist

Kutlug Ataman  
*Stefan's Room* 2004 (still).  
Five screen video installation  
with variable dimensions,  
approx 45 minutes, edition  
of 5. Courtesy of the artist  
and Lehmann Maupin Gallery,  
New York. © the artist



# 2005 HIGHLIGHTS

- The launch of *generationnext*, which is supported by the Balnaves Foundation. *generationnext* is an MCA youth initiative connecting teenagers with contemporary art and artists. Organised by the MCA with a committee of young people, this program gives art-interested youth the opportunity to visit the Museum independently after-hours with four events per year. The first event was held in December 2005 with much positive feedback from those that attended.
- The MCA held major lectures by internationally renowned sculptor Antony Gormley; Artistic Director, *2007 Venice Biennale*, Robert Storr; international artist, Mona Hatoum; and the Lloyd Rees Memorial Lecture by Michael Morris, Co-Director of Artangel and Andrew MacKenzie, art critic and Editor, *Architectural Review*.
- In August 2005, the MCA launched a new gallery space on Level 4 of the Museum—a space dedicated, for the first time, to its spectacular permanent collection. The collection includes more than 5,000 works acquired since the late 1960s through the JW Power Bequest. The inaugural exhibition *New Acquisitions in Context* showcased the various strengths of the collection, kinetic work, light works, and multiples or editioned art works.
- The MCA Bella Dinner, our annual fundraising dinner, raised \$150,000 for the MCA's education programs. It was held in October 2005 in the MCA's art-deco Foundation Hall, with the dinner crafted by guest chef, Christine Manfield. The Dinner was also attended by guest of honour, Senator the Honorable Helen Coonan, Minister for Communications, Information Technology, and the Arts.
- As part of Kutlug Ataman's exhibition during the Winter season, we had a special off-site video installation, *Küba* at the Argyle Stores as part of his MCA Sydney survey exhibition. This powerful work features interviews with forty residents of the Istanbul shanty-town known as *Küba*.
- The MCA and Telstra were winners of the 'One to Watch' award at the Australian Direct Marketing Association, Mobile Marketing and Advertising Awards.



Guests on the opening night of *New Acquisitions in Context*.

- Singaporean artist performances around Sydney—as part of the exhibition, *Situation: Collaborations, collectives & artist networks from Sydney, Singapore & Berlin*
- The MCA and Bimbadgen Estate Wines were Finalists in the Sensus Small Business category of the 2005 Australian Business Arts Foundation Partnership Awards.

# 2005 EXHIBITIONS

## ***Mona Hatoum: Over My Dead Body***

23 March–29 May 2005

MCA Curator: Elizabeth Ann Macgregor

144–page colour catalogue

Free admission to *Mona Hatoum: Over My Dead Body*  
thanks to MCA Leading Sponsor Telstra.

Madeleine Kelly,  
*Pathfinder Closing* 2005  
oil on canvas, 240 x 188 cm  
Courtesy of the artist and  
Bellas Milani Gallery,  
Brisbane. © the artist

## ***the unquiet landscapes of Rosemary Laing***

23 March–5 June 2005

MCA Curator: Vivienne Webb

80–page colour visitor guide

Supported by The Australian

Free admission to *the unquiet landscapes of Rosemary Laing*  
thanks to MCA Leading Sponsor Telstra.

## ***Situation: Collaborations, collectives & artist networks from Sydney, Singapore & Berlin***

6 June–21 August 2005

MCA Curator: Russell Storer

127–page colour catalogue

Supported by Saville Hotel Group, Goethe-Institut Sydney, National Arts Council  
Singapore and Kunst Danish Arts Council

Free admission to *Situation: Collaborations, collectives & artist networks  
from Sydney, Singapore & Berlin* thanks to MCA Leading Sponsor Telstra.

## ***Kutlug Ataman: Perfect Strangers***

22 June–4 August 2005

MCA Senior Curator: Rachel Kent

80–page colour catalogue

Free admission to *Kutlug Ataman: Perfect Strangers* thanks  
to MCA Leading Sponsor Telstra.







Exhibition installation view  
*Primavera 2005*  
Jemima Wyman  
*Scapeology 2005*  
Courtesy the artist and  
Bellas Milani Gallery,  
Brisbane. © the artist  
Photograph: Ben Simons

***MCA Collection: New Acquisitions in Context***

19 August–6 November 2005

MCA Curator: Vivienne Webb

44–page colour catalogue

Free admission to *MCA Collection: New Acquisitions in Context*  
thanks to MCA Leading Sponsor Telstra.

***Primavera 2005: Exhibition by young Australian artists***

7 September–13 November 2005

Guest Curator: Felicity Fenner

MCA curatorial liaison: Vivienne Webb

64–page colour catalogue

9 artists

Major Sponsor Deutsche Bank

Supported by The Sydney Morning Herald

Free admission to *Primavera 2005: Exhibition by young Australian artists*  
thanks to MCA Leading Sponsor Telstra.

The Primavera exhibition was founded through the generous benefaction of Dr Edward and Mrs Cynthia Jackson, and the Jackson family, in memory of their late daughter Belinda.



Richard Woldendorp  
*Lake Dumbleyung,*  
*Western Australia* 2005  
inkjet print  
100 x 140 cm  
Courtesy of the artist and  
Boutwell Draper Gallery,  
Sydney. © the artist

***Interesting Times: Focus on contemporary Australian art***

22 September–27 November 2005

MCA Curator: Russell Storer

167–page colour catalogue

Free admission to *Interesting Times: Focus on contemporary Australian art* thanks to MCA Leading Sponsor Telstra.

***Erwin Wurm: Glue your brain***

28 November 2005–12 February 2006

Guest Curator: Antonella Soldaini

6–page colour visitor guide

Presented in association with Sydney Festival 2006

Free admission to *Erwin Wurm: Glue your brain* thanks to MCA Leading Sponsor Telstra.

**Kienholz**

16 December 2005–26 February 2006

MCA Curator: Judith Blackall

6–page colour visitor guide

Free admission to *Kienholz* thanks to MCA Leading Sponsor Telstra.

**Jacky Redgate: Life of the System 1980–2005**

28 November 2005–12 February 2006

MCA Curator: Russell Storer

6–page colour visitors guide

Free admission to *Jacky Redgate: Life of the System 1980–2005*  
thanks to MCA Leading Sponsor Telstra.

**1967: Selected works from the MCA Collection**

28 November 2005–23 April 2006

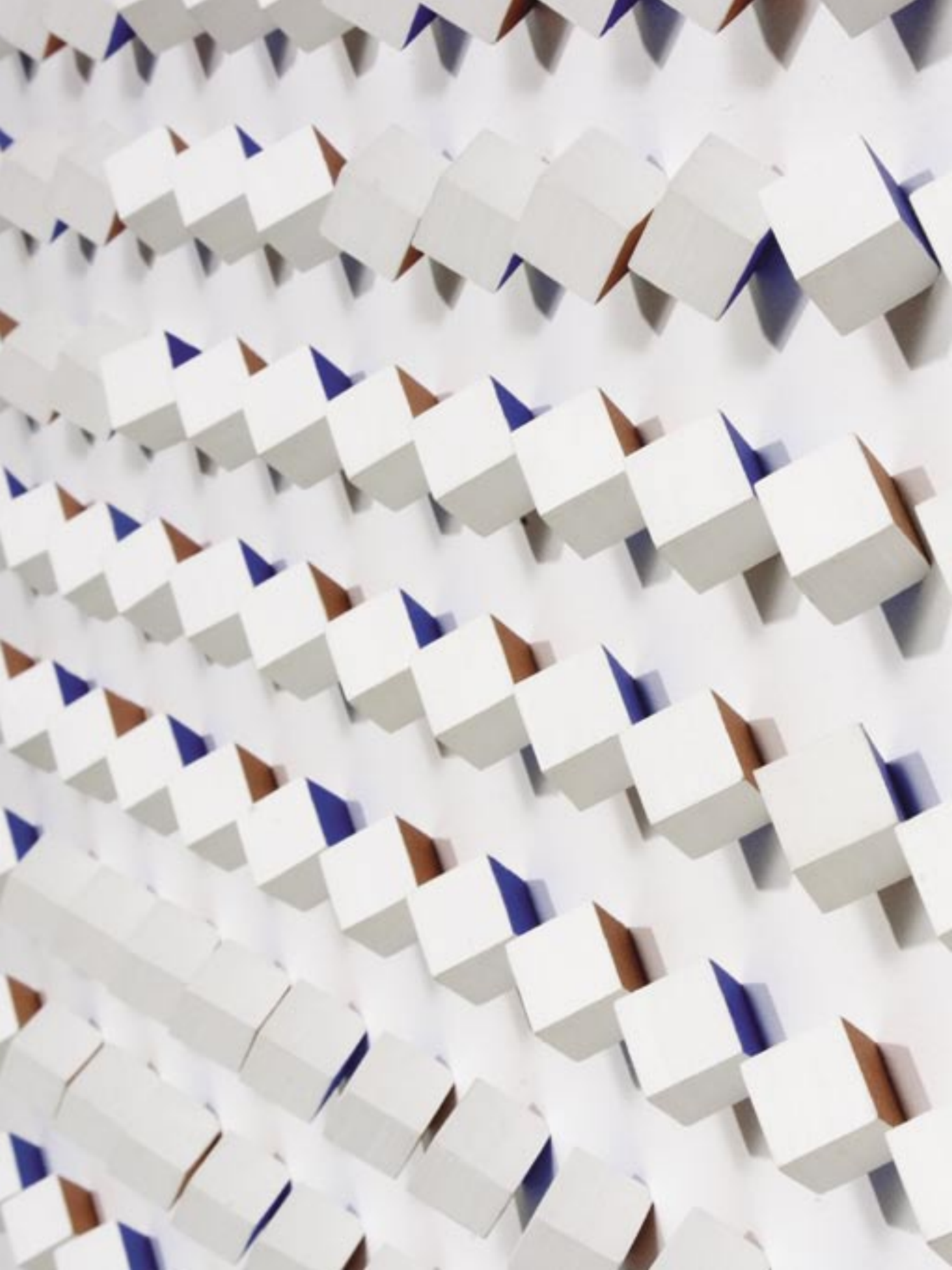
Guest Curator: Jacky Redgate

MCA curatorial liaison: Russell Storer

6–page colour visitor guide

Free admission to *1967: Selected works from the MCA Collection*  
thanks to MCA Leading Sponsor Telstra.

Luis Tomasello  
*Atmosphere chromoplastique*  
no. 154 1967 (detail)  
synthetic polymer paint  
on wood  
90.5 x 90.5 x 9 cm  
Museum of Contemporary Art,  
JW Power Bequest,  
purchased 1967  
© the artist  
Photograph: Jenni Carter



# TOURING EXHIBITIONS

## ***MCA Unpacked II***

Grafton Regional Art Gallery, Grafton, New South Wales  
2 March–10 April 2005

Caloundra Regional Gallery, Caloundra, Queensland  
4 May–26 June 2005

University of the Sunshine Coast Gallery, Maroochydore, Queensland  
4 May–26 June 2005

Burnie Regional Art Gallery, Burnie, Tasmania  
15 August–25 September 2005



This exhibition is assisted by Visions of Australia,  
a Commonwealth Government Program providing funding  
support to tour exhibitions of cultural material across Australia.

## ***Wild Thang! Post-pop from the Museum of Contemporary Art***

New England Regional Art Gallery, New South Wales  
20 May–17 July 2005

Gold Coast City Art Gallery, Queensland  
22 October–4 December 2005

A Bathurst Regional Art Gallery project in partnership with the Museum of Contemporary Art.

## ***Destiny Deacon: walk and don't look blak***

Adam Art Gallery, University of Wellington, Wellington New Zealand  
22 February–1 May 2005

Tjibou Cultural Centre, Noumea, New Caledonia  
1 June–28 August 2005





Destiny Deacon  
*Me and Virginia's doll  
(Me and Carol)* 1997/2004,  
light jet print from Polaroid,  
100.0 x 80.0 cm.  
Image courtesy of the  
artist and Roslyn Oxley9  
Gallery, Sydney

***Badu | Nadjung | Guung, Aboriginal works from the MCA Collection***

Hastings Regional Gallery, Port Macquarie, New South Wales

9 November–11 December 2005

In partnership with Port Macquarie Hastings Regional Gallery.

# EDUCATION

MCA Education's vision is to engage new and existing audiences with contemporary art, ideas and visual culture in meaningful ways through life-long learning experiences. The Department is committed to programming that acknowledges diverse communication and learning styles and is increasingly shifting into different modes of delivery, partnerships and funding relationships.

In 2005 there were 45 lectures and talks, 13 performances, 6 events for teachers and educators, and 16 youth workshops. 5,287 people participated in the Museum's public programs and 17,853 students participated in programs catering for booked groups. 793 students participated in the MCA's Bella program—the pioneering art education program for children and young adults with specific needs. Made possible through the benefaction of the Jackson Family, Bella workshops are about overcoming educational disadvantage as well as fostering skills which can be applied throughout life.

3,236 people took the free, daily guided tours provided by the Museum's Volunteer Guides who regularly attended exhibition walkthroughs and undertook workshops in which they developed their tours.

Keynote lectures were presented by Turner Prize-winning ceramicist Grayson Perry (17 February); exhibiting artist Mona Hatoum (23 March); Michael Morris, Co-Director of Artangel, and Andrew MacKenzie, art critic and Editor, *Architectural Review* who presented the Lloyd Rees Memorial Lecture in association with the NSW Ministry for the Arts (19 July); Robert Storr, Artistic Director of the 2007 *Venice Biennale* (26 July); and artist Antony Gormley (4 November).

Artists are at the heart of educational programming at the MCA. The *Situation: Collaborations, Collectives and Artist Networks from Sydney, Singapore and Berlin* public programs were developed and delivered through particularly close working relationships with the 17 artists who were in Sydney. In a first for the Museum, the artists opened up their installations processes to the public during an installation preview (6-14 June).

During 2005 the MCA's commitment to Indigenous audiences deepened through the presentation of *blakatak*, a discussion series challenging dominant ideas within Aboriginal art and culture. It was devised closely with a broad group of Indigenous arts workers and academics, and presented with support from the Australia Council's Aboriginal and Torres Strait Islander Arts Board.





Generationnext Launch Party

Generous funding was secured from The Balnaves Foundation to launch *generationnext*, a program of art appreciation events connecting teenagers with contemporary art and artists, led by a Youth Committee. A highly successful launch party focusing on the *Erwin Wurm: Glue your Brain* exhibition attracted young people from over forty schools across Sydney (11 December).

The MCA moved from co-presenting programs with other organisations to partnerships in which programs were devised with longer lead times and in consultation with community leaders and advocates. Events such as the *dis/place—making work in exile* (7 May) and *Distance and Intimacy* (14 May) forums held in association with Mona Hatoum's exhibition attracted larger and more diverse audiences than previously. The MCA and partners Campbelltown Regional Gallery and Auburn-based organisation ICE (Information & Cultural Exchange) also launched a unique, jointly devised two-year professional development program for newly arrived artists.

The MCA's ongoing partnership with The Smith Family and law firm Mallesons Stephen Jaques to deliver bi-annual Bella art education workshops for youth-at-risk was strengthened by the addition of the University of Sydney. Other partnerships included cross-promotion with Sydney Film Festival which led to the Festival screening Kutlug Ataman's new film *2 Girls* and which attracted audiences from the film world and with a Turkish heritage to the MCA's conversation event between the artist and exhibition curator Rachel Kent (3 July). Performances developed by Australian Theatre for Young People over five days for National Youth Week in *the unquiet landscapes of Rosemary Laing* secured capacity audiences (12-16 April).

Guests at the opening  
of *Kutlug Ataman:  
Perfect Strangers*

2005 was also notable for the introduction of bilingual programming. Bi-lingual tours of *Lee Bul* and *Mona Hatoum* were successfully promoted to appropriate community groups, language schools and cultural organisations.

The MCA hosted Kirsten Jeffcoat, Public Programs Officer at Goulburn Regional Art Gallery, who undertook a mentorship with Justine McLisky, Youth and Outreach Programs Coordinator, funded through Museums and Galleries NSW. Throughout the year, work experience students, interns and volunteers from Sydney, interstate and overseas were placed across the Museum for terms ranging from one week to six months.

## **ARTISTS ARE AT THE HEART OF EDUCATIONAL PROGRAMMING AT THE MCA.**

The exhibition introduces the work of Turkish artist Haluk Ural to Australian audiences for the first time. Internationally acclaimed for his film works in television, and an engagement in the arts scene, Ural is a leading figure in contemporary art and Turkish cinema.

Ural's film works focus on individuals who inhabit the margins of conventional society, focusing on those who are marginalised. They explore the role of film as a medium through which society and human nature, in the rapidly growing city of Istanbul, are challenged and re-examined. Ural's work is a blend of social and political, and often focuses on the lives of those who are marginalised. Ural's work is a blend of social and political, and often focuses on the lives of those who are marginalised. Ural's work is a blend of social and political, and often focuses on the lives of those who are marginalised.

Haluk Ural, *Portrait of a Woman* (2007) is the artist's most recent work, a film that explores the lives of women in Istanbul. It is a portrait of a woman who is struggling to find her place in a rapidly changing city. The film is a blend of social and political, and often focuses on the lives of those who are marginalised. Ural's work is a blend of social and political, and often focuses on the lives of those who are marginalised.

The exhibition also presents Ural's powerful photographic work, *Ural*, a series of portraits of women in Istanbul. The portraits are a blend of social and political, and often focus on the lives of those who are marginalised. Ural's work is a blend of social and political, and often focuses on the lives of those who are marginalised.

The artist of *Portrait of a Woman* is Haluk Ural, a leading figure in contemporary art and Turkish cinema. The exhibition is a blend of social and political, and often focuses on the lives of those who are marginalised.

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# VOLUNTEERS

## 2005

### **Volunteer Museum Guides**

Margo Anderson	William Levantrosser
Annie Armstrong	Valerie Marshall
Kay Berryman	Jan McDonald
Pamela Blacket	Antoinette McSharry
Patricia Blau	Tina Melick
Rae Bolotin	Kim Murray
Joan Dale	Fay Raven
Beth Davies	Dizzy Robinson
Susanne de Ferranti	Alison Ross
Barbara Diemar	Wendy Russell
Fran Derwent	Irene Shillington
Maureen Duffy	Christina Simpson
Eleanor Er	Claire Souillac
Susan Field	Denyse Spice
Wendy Fraser	Colleen Taylor
Judy Friend	Jocelyn Van Heyst
Angela Gregory	Gwen Wallis
Janine Haydon	Penelope Wise
Diane Kershaw	Judy Zavos

### **Work Experience Placements**

Rebecca Smith - Frensham, Mittagong  
Ashley Solomon - Lake Munmorah High School, Lake Munmorah  
Matthew Coates - Lake Munmorah High School, Lake Munmorah  
Jessie Wang - North Sydney Girls High, Crows Nest  
Isobel Philip - SCEGGS, Darlinghurst  
Lucy Rheinberger - Chevalier College, Burradoo  
Mitchell Tolman - Moss Vale High School, Moss Vale  
Blake Robinson - Randwick Boys High, Randwick  
Jane Anderson - Chevalier College, Burradoo



Guests at the opening of *Situation: Collaborations, collectives & artist networks from Sydney, Singapore & Berlin*

### **Library Volunteers 2005**

Sue Anderson  
Edd Ashmore  
Peggy Maguire  
Marie Marlow  
Meg Taylor  
Rita Todrin  
Deborah Turnbull

### **Internships 2005**

Robina Booth  
Emma Collerton  
Joanne Emmons  
Beatrice Hunt  
Cathrine Kramer  
Manfred Lai  
Peter Lin  
Nadia Maljkovic  
Gemma O'Brien  
Arnel Rodriguez  
Elise Routledge  
Deborah Turnbull

# MCA SUPPORTERS 2005

## MCA Ambassadors 2005

The MCA Ambassadors program, founded in 2000, recognises philanthropic donors for their support of the Museum and its exhibition and education programs.

### Visionaries

Telstra  
The Sidney Myer Fund  
Geoff & Vicki Ainsworth  
Neil & Diane Balnaves  
David & Michelle Coe  
Catriona & Simon Mordant  
Loti Smorgon AO &  
Victor Smorgon AO  
Malcolm & Lucy Turnbull  
Anonymous (1)

### Innovators

Matthew Howison  
Dr Edward & Mrs Cynthia Jackson  
Ann Lewis AM  
Carol Schwartz AM &  
Alan Schwartz

### Futurists

Greg & Angela Baster  
Robin Crawford  
Matthew Cullen  
Stephen Grant & Bridget Pirrie  
Ginny & Leslie Green  
Linda Gregoriou  
Michael Hawker  
Peter & Sharon Ivany  
Dr Colin & Mrs Elizabeth Laverty  
Suzanne & Warwick Miller  
Steven & Lisa Pongrass  
Reg & Sally Richardson

Susan Rothwell  
Penelope Seidler  
John Sharpe  
Peter & Suzanne Steigrad  
Peter Vogliotti & Angela McHugh  
Stewart Wallis AO & Gwen Wallis  
Michael Whitworth &  
Dr Candice Bruce  
Gregory Woolley

### Contemporaries

Antoinette Albert  
Richard Alcock  
Steven Alward & Mark Wakely  
Michele Asprey & Lindsay Powers  
Anthony Battaglia & Catie Dyce  
Julian Beaumont & Annie Beaumont  
The Berg Family Foundation  
Mr & Mrs Daniel Besen  
Bobbe Bowman Zeleny  
Andrew & Cathy Cameron  
Tanya & Mark Carnegie  
Michael Carr  
Sue Cato  
Leo Christie & Marion Borgelt  
Patrick Corrigan AM  
Susie Curtis  
Sally Dan-Cuthbert  
Gordon Darling AC CMG &  
Marilyn Darling  
Dr Suzanne Davies  
Elizabeth & Wayne Davies

Jane Dawson  
Roderick & Gillian Deane  
Dinosaur Designs  
Ari & Lisa Droga  
Daniel & Lyndell Droga  
Helen Eager &  
Christopher Hodges  
Sandy Edwards  
Carrie Elton  
Michele Ferguson &  
Michael Magnus  
Sandra & Paul Ferman  
Nina Field  
David Finlay  
Kathy Freedman  
Richard & Jan Frolich  
Glen-Marie Frost  
Joseph Gersh  
Simon Goh  
Bradford Gorman &  
Anthony Ewart  
Phillip & Vivien Green  
Stephen & Sharon Green  
Julian & Stephanie Grose  
Dr Mary Haines  
Catherine Harris  
Angelo & Despina Hatsatouris  
Judi Hausmann  
Bruce Hawker  
Sally Herman  
Jean Herron  
Michael & Doris Hobbs

Peter & Divonne Holmes a Court	Professor Rotraut Klein	Ezekiel Solomon
Cherry Hood & Graham Jones	Jan Minchin	Darren J Spain
Andrew Horsley	Simon Moore	Phil Staub & Jacky Vidor
Stephanie Houstein	Kingsley Munday	Rebecca Stehli
Dr John & Mrs Mary Indyk	The Annabel & Rupert Myer	Nigel Stewart
Davina Jackson & Chris Johnson	Family Foundation	Isaac & Susie Wakil
Judy Joye	Lisa & Egil Paulsen	John Walton AM & Josie Walton
Erika Jumikis	Arvid & Karen Petersen	Ivan & Karel Wheen
Phillip Keir & Sarah Benjamin	Andy & Deirdre Plummer	Ian Wilcox & Mary Kostakidis
Keith Kerridge & Maureen Plavsic	Andrew & Chloe Podgornik	Virginia Wilson
Michael King	Diana Polkinghorne	Neil & Jill Wilson
Doug & Sue Knox	Ted Pretty	Justin & Annette Wright
Phyllis Koshland	Dr Dick Quan & Mr John McGrath	Belinda Yabsley & Tony Goldsack
Christopher Kuan	Dr John Reid AO &	Vera Yakimenko
Paula Latos-Valier & Biron Valier	Ms Lynn Rainbow	Brian Zulaikha
Julian Lavigne	Crispin Rice	Anonymous (3)
Marita Leuver	David Robb & Bronia Iwanczak	
Christine Liddy AO & David Liddy	Alexandra Rose	As at 31st December 2005
Harvey Light	Mary Rossi Travel	
Richard & Elizabeth Longes	Amanda Rowell	
Andrew & Amanda Love	Anna Schwartz	
Richard Ludbrook	Dr Ian Hill & Morna Seres	
David Maloney & Erin Flaherty	Greg & Kathy Shand	
Jenny Manton	Vivienne Sharpe	
Scott Marinczek &	Dr Gene Sherman &	
Daniel Valewink	Mr Brian Sherman AM	
John Marshall	Gillian Simon &	
Peter & Jan McGovern	Darren Kindrachuk	
Guy McKanna	Paul & Dalia Sinclair	
Nicky & Bruce McWilliam	Skadden Arps Slate	
Fran & Tony Meagher	Meagher + Flom	
Daniel Moquay &	Bruce & Barbara Solomon	

## **Director's Working Circle 2005**

The MCA Director's Working Circle is a group committed to and proud, of the dynamic place that is the MCA. It is a group that is active in its support of meeting the Museums' objectives and purpose to broaden the reach of the MCA in order to increase involvement in the MCA experience.

### **2005 Members**

Mr Geoff Ainsworth	Ms Judy Joye
Mrs Antoinette Albert	Mr Barry Keldoulis
Ms Sue Cato	Mrs Anne Knoblanche
Mr Stuart Clark	Ms Annette Larkin
Ms Susi Curtis	Mrs Amanda Love
Mrs Elizabeth Davies	Mrs Nicky McWilliam
Ms Elisabeth Drysdale	Mr Simon Mordant
Mr Peter Fay	Mrs Roslyn Oxley
Ms Michele Ferguson	Mr Reg Richardson
Mrs Sandra Ferman	Ms Liane Rossler
Mrs Linda Fishwick	Mrs Susan Rothwell
Ms Erin Flaherty	Ms Anna Schwartz
Ms Jenny Fletcher	Mrs Penelope Seidler
Mrs Jenny Fox	Ms Vivienne Sharpe
Ms Eva Galambos	Mrs Mandy Shaul
Mr Stephen Grant	Ms Gillian Simon
Mr Stephen Grant	Mr Peter Thomas
Mrs Ginny Green	Mrs Gwen Wallis
Ms Linda Gregoriou	Mr Stewart Wallis AO
Ms Divonne Holmes a Court	Mr Michael Walsh
Ms Jane Jose	Mr Michael Whitworth



## **Artist Advisory Group**

The Artist Advisory Group was established in 2001 to develop the MCA's relationship with artists by providing a regular forum for an exchange of views and information in relation to the Museum and the wider arts community in Sydney, regional NSW and interstate. The aim of the group is to ensure the representation of the views of members of the artistic community on matters pertaining to the Museum and its programs, to give the MCA feedback on its exhibitions, public and education programs, to bring to the MCA's attention issues of concern to artists and to advise the MCA on ways in which it can be of service to Australian artists.

### **2005 Members**

Brent Grayburn  
Bronwyn Bancroft  
Justene Williams  
Ken Unsworth  
Laurens Tan  
Mikala Dwyer  
Claire Firth-Smith

## **Indigenous Advisory Group**

The MCA Indigenous Advisory Group was set up in 2003 with the aim of advising the MCA on ways to reflect the needs and interests of Aboriginal and Torres Strait Islander artists and audiences in all areas of the MCA's program.

### **2005 Members**

Avril Quail  
Allen Madden  
Djon Mundine  
Joanne Brown  
Matthew Poll  
Larissa Behrendt

# CORPORATE SPONSORSHIP 2005



Edward and Nancy  
Reddin Kienholz  
*The Hoerengracht* (detail)  
1983-88  
tableau  
Collection of the artist  
Courtesy L.A. Louver Gallery,  
Venice, California

Corporate partnerships are fundamental to the sustainable development of the MCA and its programs. MCA sponsor companies have chosen to partner with the MCA to develop mutually beneficial strategic alliances. Corporations such as Leading Sponsor Telstra continue to assist the MCA in achieving one of its key strategic objectives to provide wider access to contemporary art through their support of the MCA's free admission policy.

The MCA Corporate Membership program continues to deliver an annual program of unique benefits from exclusive networking and entertaining opportunities, complimentary passes to MCA ticketed exhibitions and special events, and 'can't buy' MCA experiences to involve Corporate Members' staff and clients in the life of the Museum.

The MCA greatly values the many companies in its sponsor family for their ongoing support of the Museum and of contemporary visual art, contemporary artists and contemporary ideas.

## **Sponsors**

### **Leading Sponsor**



### **Major Sponsors**

Baker & McKenzie  
Bimbadgen Estate Wines  
Deepend  
Deutsche Bank  
Eakin McCaffery Cox  
JCDecaux Australia  
Seven Network

### **Corporate Principals**

Avantage Presentation Systems  
Clariti Pty Ltd  
Saville Hotel Group  
Stancombe Research and  
Planning Pty Ltd  
The Sydney Morning Herald

### **Corporate Partners**

Culinary Edge  
IIR Conferences  
Qantas Airways Limited  
Raleigh Paper Co Pty Ltd  
Stollznow Research Pty Ltd  
Street Vision  
The Australian  
Transfield Pty Ltd  
Waterfield Consultants  
Wattyl Australia

### **Corporate Associates**

Appletiser  
Arup  
Belinda Franks Catering  
Clemenger BBDO  
Collex Pty Ltd  
Cruise  
DDB Sydney Pty Ltd  
FJMT Architects  
Gastronomy  
J. Boag & Son  
Penfold Buscombe  
Rockend Technology Pty Ltd

# VISITOR STATISTICS

## MCA Visitor Statistics 2003 - 2005

Installation view:  
*Kienholz* exhibition.

	2003	2004	2005
Gallery/Exhibition Visitors	313,180	318,277	399, 228*
After hours events/programs	7,076	3,148	2,607
Commercial Functions	34,305	38,516	41,661
MCA Café	42,744	44,000	55,133
Touring Exhibitions**	64,159	51,189	32,330
<b>TOTAL MCA AUDIENCE</b>	<b>461,464</b>	<b>455,130</b>	<b>530,959</b>

\* new electronic traffic counter system introduced June 2005

\*\*

2003

National touring program – 20,211 visitors • International touring program – 43,948 visitors

2004

National touring program – 27,903 • International touring program – 23,286

2005

National touring program – 17,713 • International touring program – 14,617



# MCA PURCHASES AND GIFTS

The following is a list of purchases/gifts of works that are now part of the MCA collection. In 2005, 15 works were purchased and 7 artworks were gifted to the MCA.

Destiny Deacon, *Adoption*, 1993-2000  
light jet print from Polaroid, framed  
Museum of Contemporary Art, purchased 2005

Destiny Deacon, *Axed*, 1994-2003  
light jet print from Polaroid, framed  
Museum of Contemporary Art, purchased 2005

Adam Cullen, *Blanket Men*, 2004  
acrylic and enamel on canvas  
Museum of Contemporary Art, purchased 2005

Rosemary Laing, *Brumby mound #5*, 2003  
c type photograph  
Museum of Contemporary Art, gift of Galerie Lelong  
and anonymous donor, 2005

Rosemary Laing, *Brumby mound #6*, 2003  
c type photograph  
Museum of Contemporary Art, gift of Greg Woolley, 2005

Noel McKenna, *Country Rail Network of Australia*, 2005  
acrylic and enamel on canvas  
Museum of Contemporary Art, purchased 2005

Pat Brassington, *Crush*, 2005  
pigment print  
Museum of Contemporary Art, purchased 2005

Micky Dorrng, *Djirrdidi (Kingfisher body design)*, 2000  
synthetic polymer paint on canvas  
Museum of Contemporary Art, gift of Djon Mundine, 2005

Destiny Deacon, *Forced into images*, 2001  
super 8 transferred to digital video  
Museum of Contemporary Art, purchased 2005

Robert Owen, *Hiatus*, 1981  
photograph on linen on wood, talcum powder, lead, granite rock  
Museum of Contemporary Art, gift of the artist, 2005

Tony Schwensen, *Jenny Cracked Corn and I Don't Care*, 2003  
shelving unit, composition board, fibreglass, pump, water  
Museum of Contemporary Art, gift of the artist, 2005

Hossein Valamanesh, *The Lover Circles His Own Heart*, 1993  
silk, electric motor, foam, brass rod, stainless steel cable, wood  
Museum of Contemporary Art, purchased with the assistance of  
Gene and Brian Sherman , Reg and Sally Richardson and the artist, 2004

Destiny Deacon, *Melancholy*, 2000  
light jet print from Polaroid, framed  
Museum of Contemporary Art, purchased 2005

Pat Brassington, *Rocket*, 2005  
pigment print  
Museum of Contemporary Art, purchased 2005

Robert Owen, *Sunrise #3*, 2005  
acrylic on wall  
Museum of Contemporary Art, purchased 2005

Pat Brassington, *Topography in Pink*, 2005  
pigment print  
Museum of Contemporary Art, purchased 2005

Peter Kennedy, *Untitled (Drawing for Neon Light Installations)*, 1970  
Acrylic on paper, original aluminium frame and chipboard  
Museum of Contemporary Art, gift of Irene Sutton 2005

Peter Kennedy, *Untitled (Drawing for Neon Light Installations)*, 1970  
acrylic on paper, original aluminium frame and chipboard  
Museum of Contemporary Art, gift of Irene Sutton 2005

Installation view at *Primavera*  
2005 featuring work by  
Monika Behrens

Jurek Wybraniec, *Untitled (Target)*, 1996  
oil on pegboard, acrylic (67 small panels)  
Museum of Contemporary Art, purchased 2005

Pat Brassington, *The Wedding Guest*, 2005  
pigment print  
Museum of Contemporary Art, purchased 2005

Destiny Deacon, *Where's Mickey?*, 2002  
light jet print from Polaroid, framed  
Museum of Contemporary Art, purchased 2005

Destiny Deacon, *Whitey's Watching*, 1994-2003  
light jet print from Polaroid, framed  
Museum of Contemporary Art, purchased 2005





# OUTWARD LOANS 2005

The following details outward loans from the MCA Collection both nationally and internationally. In 2005, 12 works in total were sent on loan to 1 international and 11 Australian venues.

**Ian Potter Museum of Art, The University of Melbourne:**

***The difference between you and me***

18 July 2005–16 November 2005

Georg Baselitz

*Der Dichter (The poet)*

**Institute of Modern Art Ltd: Tracey Moffatt Adventure Series**

9 March 2005–25 May 2005

Institute of Modern Art Ltd;

Opening: 17 March 2005; Closing: 25 April 2005

Tracey Moffatt

*Adventure Series*

**Monash University Museum of Art: Pitch Your Own Tent: Art Projects**

15 June 2005–21 September 2005

Jenny Watson

*Dream Palette*

**Museum of Modern Art at Heide:**

***The Plot Thickens: narratives in Australian art***

1 July 2004–1 June 2005

Tour venue:

Ballarat Fine Art Gallery;

15 February 2005 – 01 May 2005

John Mawurndjul

*Ancestral spirit beings collecting honey*

**Museum Tinguely:**

***rarrk - John Mawurndjul: Journey in Northern Australia***

1 August 2005–15 March 2006

2 John Mawurndjul works:

*Ancestral spirit beings collecting honey*

*Nawarramulmul (Shooting star spirit)*

**Tarra Warra Museum of Art:**

***Orient/Occident: John Young, a survey of works 1978 -2005***

16 October 2005–14 June 2006

John Young; *The Second Mirage*,

John Young; *Socialite realism, no 3 (filigree)*

**National Gallery of Australia:**

***No ordinary place: the art of David Malangi***

8 December 2004–4 July 2006

Tour Venues:

Flinders University Art Museum;

02 August 2005 – 02 October 2005

Museum and Art Gallery of the Northern Territory;

12 November 2005 – 08 January 2006

Queensland Art Gallery;

23 April 2005 – 17 July 2005

David Malangi (Daymiringu); *Ngarrawu (Mangrove jack)*,

David Malangi (Daymiringu); *Gupupyunggu mortuary rites*

David Malangi (Daymiringu); *Bininymirr (Mangrove goanna)*

David Malangi (Daymiringu); *Raga (White berry bush)*

# **MCA BOARD 2005**

## **Chairman of the MCA Board**

David Coe, Managing Director, Allco Finance Group

## **Board Members**

Andrew Love, Partner, Ferrier Hodgson

Peter Ivany, Executive Chairman, Ivany Investments

Peter Steigrad, Former Chairman, Young & Rubicam

Greg Woolley, Chief Executive Officer, LJCB Investment Group

Lucy Turnbull, Director, Turnbull & Partners

Carol Schwartz, Director, Highpoint Property Group

Mikala Dwyer, Artist

Matthew Cullen, Office of the Chairman, Seven Network Limited

Cathy Harris, Executive Director, Harris Farm Markets Pty Ltd

John Cox (Company Secretary), Partner, Eakin McCaffery Cox

# FINANCIAL STATEMENTS 2005

Museum of Contemporary Art Limited  
ACN 003 765 517  
ABN 15 003 765 517  
A company limited by guarantee  
140 George Street  
Sydney NSW 2000  
Australia

**Financial Report**  
**for the year ended 31 December 2005**

# FINANCIAL STATEMENTS 2005

## **Directors' report For the year ended 31 December 2005**

Your directors present their report on the Company for the year ended 31 December 2005.

### **Directors**

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

David Coe  
Andrew Love  
Peter Steigrad  
Greg Woolley  
Lucy Turnbull  
Peter Ivany  
Carol Schwartz  
Mikala Dwyer  
Matthew Cullen  
Cathy Harris

The following persons were appointed directors and continue in office at the date of this report:

Mikala Dwyer (appointed on 17 May 2005)  
Matthew Cullen (appointed on 16 August 2005)  
Cathy Harris (appointed on 16 August 2005)

Terri Janke was a director from the beginning of the financial year until her resignation on 16 August 2005.

### **Meetings of directors**

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 31 December 2005, and the numbers of meetings attended by each director were:

	Board Meeting (*)		Sub Committee Meeting (*)	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
David Coe	5	5	3	2
Andrew Love	5	4	3	2
Peter Steigrad	5	4	3	0
Greg Woolley	5	2	3	3
Lucy Turnbull	5	3	3	1
Peter Ivany	5	4	3	3
Carol Schwartz	5	3	3	2
Terri Janke	2	1	(**)	(**)
Mikala Dwyer	4	1	(**)	(**)
Matthew Cullen	3	2	1	1
Cathy Harris	3	3	1	1

(\*) = Note: There are five official Board meetings during the year. Board members were divided into two sub committees to focus on individual giving and sponsorship. Each sub committee had three meetings during the year.

(\*\*) = Not a member of the relevant sub committee

### Principal activities

The principal activity of the Company was the operation of a Museum of Contemporary Art.

After providing \$nil for income tax, operations for the year ended 31 December 2005, resulted in a surplus of \$178,092 [2004: surplus of \$422,679]

### Dividends

The Company is a Company limited by guarantee and is restricted from declaring any dividends.

### Significant changes in the state of affairs

During the year ended 31 December 2005, there was no significant change in the state of affairs of the Company.

### Matters subsequent to the end of the financial year

There has not been any matter or circumstance that has arisen since the end of the financial year (refer to subsequent events note 21 in the financial report), that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the company in subsequent years.

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or a related body corporate with the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest.

**Environmental regulation**

There are no significant environmental regulations which affect the Company's operations.

**Insurance of officers**

During the financial year, the company paid a premium of \$13,000 to insure the directors, secretary and senior officers of the company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

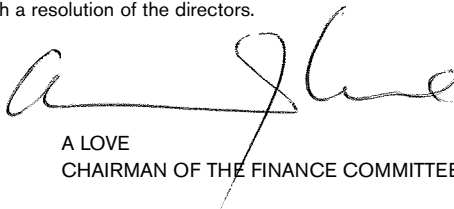
**Likely developments and expected results of operations**

Information on likely developments in the company's operations and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

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



D COE  
CHAIRMAN OF THE BOARD  
Sydney 12 April 2006



A LOVE  
CHAIRMAN OF THE FINANCE COMMITTEE



**Income Statement**  
**For the year ended 31 December 2005**

	<b>Notes</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	2	<b>9,875,954</b>	<b>10,013,734</b>
Other income	3	<b>8,552</b>	-
<b>Expenses</b>			
Depreciation & Amortisation expenses	4	(414,416)	(346,655)
Employee benefits expense		(4,088,757)	(3,922,924)
Purchase of inventories for resale		(546,154)	(658,893)
Changes in inventories		25,063	44,743
Exhibition costs		(1,765,426)	(1,453,885)
Advertising		(213,953)	(204,165)
Cleaning		(192,533)	(188,249)
Contractors & Artist fees		(58,315)	(115,897)
Insurance		(176,834)	(193,302)
Electricity		(244,932)	(272,974)
Marketing & Promotion		(204,174)	(214,652)
Repairs and Maintenance		(275,864)	(323,088)
Security		(292,046)	(314,161)
Telephone		(113,989)	(73,863)
Travel Local & Overseas		(157,116)	(143,476)
Printing & Stationery		(66,743)	(76,467)
Signage & Display		(62,355)	(69,341)
Storage Rental		(65,365)	(70,368)
Computer Maintenance & Consumables		(96,778)	(96,941)
Carrying value of disposed fixed assets		(24,447)	-
Other expenses		(671,280)	(896,497)
Profit before income tax expense	4	<b>178,092</b>	<b>422,679</b>
Income tax expense		-	-
<b>Net profit</b>		<b>178,092</b>	<b>422,679</b>
Revenue, expenses and valuation adjustments recognised directly in equity		-	-
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>178,092</b>	<b>422,679</b>

The above Income Statement should be read in conjunction with the accompanying notes.

**Balance Sheet**  
**As at 31 December 2005**

	Notes	2005 \$	2004 \$
<b>Current assets</b>			
Cash and cash equivalents	7	3,712,371	4,075,192
Receivables	8	417,541	116,541
Inventories	9	357,247	332,184
Prepayments	10	12,185	20,580
<b>Total current assets</b>		<b><u>4,499,344</u></b>	<b><u>4,544,497</u></b>
<b>Non-current assets</b>			
Plant and equipment	11	13,509,051	13,210,705
<b>Total non-current assets</b>		<b><u>13,509,051</u></b>	<b><u>13,210,705</u></b>
<b>Total assets</b>		<b><u>18,008,395</u></b>	<b><u>17,755,202</u></b>
<b>Current liabilities</b>			
Payables	12	1,159,290	1,265,145
Provisions	13	298,278	251,027
Income in Advance	14	1,620,700	1,486,995
<b>Total current liabilities</b>		<b><u>3,078,268</u></b>	<b><u>3,003,167</u></b>
<b>Net assets</b>		<b><u>14,930,127</u></b>	<b><u>14,752,035</u></b>
<b>Equity</b>			
Retained Profits	15	14,930,127	14,752,035
<b>TOTAL MEMBERS' FUNDS</b>		<b><u>14,930,127</u></b>	<b><u>14,752,035</u></b>

The above Income Statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity  
For the year ended 31 December 2005**

	Notes	2005 \$	2004 \$
<b>Total equity at the beginning of the financial year</b>		<u>14,752,035</u>	<u>14,329,356</u>
Profit for the year	15	178,092	422,679
<b>Total equity at the end of the financial year</b>		<u>14,930,127</u>	<u>14,752,035</u>

**Cash Flow Statement  
For the year ended 31 December 2005**

	Notes	2005 \$	2004 \$
		Inflows/(Outflows)	Inflows/(Outflows)
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		10,272,863	10,718,954
Payments to suppliers and employees (inclusive of goods and services tax)		(10,219,620)	(9,983,454)
Interest received		215,687	149,829
<b>Net cash inflow from operating activities</b>	26	<u>268,930</u>	<u>885,329</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(664,751)	(760,852)
Proceeds from sale of fixed assets		33,000	-
<b>Net cash (outflow) from investing activities</b>		<u>(631,751)</u>	<u>(760,852)</u>
<b>Net increase in cash held</b>		<u>(362,821)</u>	<u>124,477</u>
Cash at beginning of the financial year	7	4,075,192	3,950,715
<b>Cash at the end of the financial year</b>	7	<u>3,712,371</u>	<u>4,075,192</u>

The above Income Statement should be read in conjunction with the accompanying notes.

## **Notes to and forming part of the accounts For the year ended 31 December 2005**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

#### **(A) BASIS OF PREPARATION**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

##### *Statement of Compliance*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

##### *Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

These financial statements are the first Museum of Contemporary Art Limited (MCA) financial statements to be prepared in accordance with AIFRSs. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of MCA until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing MCA 2005 financial statements, management has amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2005 were restated to reflect these adjustments. The company has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 January 2005.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRSs on the company's equity and its net income are given in note 27.

##### *Historical cost convention*

These financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 27.

### **(B) FOREIGN CURRENCY TRANSLATION**

#### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Company's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items are reported as part of the fair value gain or loss.

### **(C) REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Revenue is recognised for the major business activities as follows:

#### *(i) Trading revenue*

Income from sale of goods in the store is recognised upon delivery of goods.

#### *(ii) Grants and donations*

Grants and donations received are recognised as revenue when MCA obtains control of the grants and donations or the right to receive the grants and donations.

#### *(iii) Sponsorship income*

Income received from sponsors for Corporate Membership is recognised when MCA obtains control of the sponsorship or the right to receive the sponsorship. Whilst income from Corporate Sponsorship is amortised over the life of sponsorship.

*(iv) Function Room Hire*

Function Room Hire income are recognised when services are rendered.

*(v) Rental Income*

Rental income is recognised on a straight line basis over the lease term.

**(D) EXHIBITION INCOME AND EXPENDITURE**

The Company, as part of its activities, organises exhibitions and other projects of contemporary works, both from Australia and overseas. Such exhibitions and other projects may incur costs and expenses in years prior to them being held. In addition, the Company seeks sponsorships and grants to offset those expenses and these may also be received prior to the exhibition or other project.

**(E) IMPAIRMENT OF ASSETS**

Assets that have an definite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**(F) EMPLOYEE ENTITLEMENTS**

*(i) Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*(ii) Long Service Leave*

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## **(G) DEPRECIATION & AMORTISATION**

Depreciation is calculated on a straight line basis so as to write off the net cost of each depreciable non-current asset over its expected useful life.

The expected useful lives are as follows:

Plant and Equipment	3 - 5 Years
Motor Vehicles	5 Years
Books and Publications	5 Years
Furniture and Fittings	2 - 9 Years
Computer Equipment	3 - 5 Years
Works of Art	Refer 1 (I)

Amortisation of the leasehold improvements is calculated on the straight line basis so as to write off the net cost over the remainder of the lease term ending in 2039.

## **(H) LEASEHOLD IMPROVEMENTS**

The MCA entered into an agreement to lease with Sydney Harbour Foreshore Authority for a term of thirty seven years from 1 January 2002 to 15 March 2039. The expenditure on Leasehold Improvements has been recognised as an asset of the Company. Leasehold Improvements are amortised over the remaining period of the lease.

The MCA entered into an agreement to lease storage facilities with Ministry for the Arts for a term of ten years from 1 August 2003 to 31 July 2013. The expenditure on Leasehold Improvements has been recognised as an asset of the Company. Leasehold Improvements are amortised over the remaining period of the lease.

## **(I) WORKS OF ART**

The Company acquires and is gifted art from time to time. Such works when acquired are capitalised at their acquisition cost. Works of Art gifted to the Museum have been recognised at fair value at the time of the gift. Expenses relating to the acquisition, including freight and packaging where applicable, are written off in the year in which they are incurred.

The Company also, from time to time, holds on trust, works of art belonging to various other bodies. These works are not reflected within the financial statements of the Company.

## **(J) BOOKS AND PUBLICATIONS**

Books and Publications acquired for the Library are capitalised at their acquisition cost. Books and Publications gifted to the Museum are brought to account if of value. The books and publications are depreciated in accordance with (B) above.

## **(K) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **(L) INVENTORIES**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

## **(M) RECEIVABLES**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

## **(N) TRADE AND OTHER CREDITORS**

These amounts represent liabilities for goods and services provided to the Company 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.

## **(O) BORROWINGS**

The MCA has no outstanding loans to any parties for the 2005 financial year.

## **(P) J W POWER BEQUEST AND THE UNIVERSITY OF SYDNEY**

The MCA entered in the management agreement with the University of Sydney on 31 December 2001 in which the University appoints the Museum as manager of the Collection. At that time the University also waived all outstanding loans and interest owed by the Museum to the Bequest in return for an on-going agreement to provide Services to the Collection. The value of those works is not reflected in the financial statements.



## 2. REVENUE

	Notes	2005 \$	2004 \$
<b>Revenue</b>			
Trading Revenue	23	857,287	1,044,750
Other Revenue:			
Membership Income		22,318	32,396
Grants:			
Ministry for the Arts NSW - Operations	22	2,705,000	2,751,636
Australia Council grants	22	620,750	250,000
Sydney Harbour Foreshore Authority grant	22	300,000	300,000
Storage Relocation grant		-	454,545
Other	22	32,002	12,000
Sponsorship		443,796	542,284
Donations		726,261	564,695
Education Income		51,472	90,652
Entrance Fees		2,682	78,659
Function Room Hire		1,353,422	1,232,790
Fundraising Events		182,675	128,160
Rent Received		2,167,226	2,116,012
Other		92,517	88,444
		<b>9,557,408</b>	<b>9,687,023</b>
<b>Revenue from outside the operating activities</b>			
Interest Received		215,687	149,829
Acquisition Fund		30,400	-
Gifts of Work to the Collection		72,459	176,882
		<b>318,546</b>	<b>326,711</b>
<b>Revenue from ordinary activities</b>			
		<b>9,875,954</b>	<b>10,013,734</b>

## 3. OTHER INCOME

Proceeds from sale of fixed assets		8,552	-
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#### 4. PROFIT BEFORE INCOME TAX EXPENSE

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

	Notes	2005 \$	2004 \$
<b>Net gains</b>			
Net gain on disposal of Property, plant and equipment		8,552	-
<b>Expenses</b>			
Cost of sales of goods		521,091	614,151
Depreciation			
Plant & Equipment		89,180	66,684
Books & Publications		-	192
Furniture & Fittings		53,766	54,524
Computer Equipment		31,555	35,232
Motor Vehicle		9,756	11,600
<b>Total depreciation</b>		<b>184,257</b>	<b>168,232</b>
Amortisation			
Leasehold improvements		230,159	178,423
Other provisions			
Employee entitlements		47,251	66,054
Stock write-down and obsolescence		(4,742)	(26,685)
Doubtful Debt		-	(10,566)
<b>Total other provisions</b>		<b>42,509</b>	<b>28,803</b>

#### 5. AUDITORS REMUNERATION

Remuneration for audit of the financial report of the company	28,000	27,000
Other Assurance Services	1,300	1,300
<b>Total Auditors Remuneration</b>	<b>29,300</b>	<b>28,300</b>

#### 6. INCOME TAX

The Company has been granted an exemption from paying income tax under section 50-5 of the Income Tax Assessment Act (1997).

	Notes	2005 \$	2004 \$
<b>7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS</b>			
Cash on hand		2,000	2,600
Cash at bank:			
Cheque account - Operation		617,981	204,477
Cheque account - Donation		30,633	111,334
Cash Management Fund and Term Deposit		3,002,254	3,708,861
Capital Appeal Fund Account		42,734	41,250
Belinda Jackson Acquisition Fund		16,769	6,670
		<u>3,712,371</u>	<u>4,075,192</u>

Cash at bank earns interest at variable rates. Weighted average interest rate is 5.40%.

#### **8. CURRENT ASSETS - RECEIVABLES**

Trade Debtors		337,292	30,327
Other Debtors		80,249	86,214
		<u>417,541</u>	<u>116,541</u>

#### **9. CURRENT ASSETS - INVENTORIES**

Finished goods	1(L)	392,013	371,692
Less: Provision for Stock Write-down		(11,357)	(23,099)
Less: Provision for Stock Obsolescence		(23,409)	(16,409)
		<u>357,247</u>	<u>332,184</u>

#### **10. CURRENT ASSETS - PREPAYMENTS**

Other		12,185	20,580
		<u>12,185</u>	<u>20,580</u>

	Notes	2005 \$	2004 \$
<b>11. NON-CURRENT ASSETS - PLANT &amp; EQUIPMENT</b>			
Leasehold Improvements, at cost	1(H)	8,353,797	8,146,200
Less: Accumulated Depreciation	1(G)	(2,554,024)	(2,323,865)
<b>Net Book Value</b>		<b>5,799,773</b>	<b>5,822,335</b>
Plant & Equipment, at cost		893,497	700,317
Less: Accumulated Depreciation		(701,204)	(612,024)
<b>Net Book Value</b>		<b>192,293</b>	<b>88,293</b>
Works of Art, at cost	1(I)	7,108,416	6,881,713
Less: Accumulated Depreciation	1(G)	-	-
<b>Net Book Value</b>		<b>7,108,416</b>	<b>6,881,713</b>
Books & Publications, at cost	1(J)	113,822	113,822
Less: Accumulated Depreciation	1(G)	(113,822)	(113,822)
<b>Net Book Value</b>		<b>-</b>	<b>-</b>
Furniture & Fittings, at cost		794,016	749,736
Less: Accumulated Depreciation		(471,573)	(417,807)
<b>Net Book Value</b>		<b>322,443</b>	<b>331,929</b>
Computer Equipment, at cost		359,059	339,952
Less: Accumulated Depreciation		(316,187)	(284,632)
<b>Net Book Value</b>		<b>42,872</b>	<b>55,320</b>
Motor Vehicle, at cost		79,489	77,596
Less: Accumulated Depreciation		(36,235)	(46,481)
<b>Net Book Value</b>		<b>43,254</b>	<b>31,115</b>
<b>TOTAL PLANT &amp; EQUIPMENT</b>		<b>13,509,051</b>	<b>13,210,705</b>

\* Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

	Leasehold Improve- ments	Plant & Equipment	Works of Art	Books & Publications	Furniture & Fittings	Computer Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 January 2005	5,822,335	88,293	6,881,713	-	331,929	55,320	31,115	13,210,705
Additions	207,597	193,180	226,703	-	44,280	19,107	46,343	737,210
Disposals	-	-	-	-	-	-	(24,448)	(24,448)
Depreciation/ Amortisation expense	(230,159)	(89,180)	-	-	(53,766)	(31,555)	(9,756)	(414,416)
<b>Carrying amount at 31 December 2005</b>	<b>5,799,773</b>	<b>192,293</b>	<b>7,108,416</b>	<b>-</b>	<b>322,443</b>	<b>42,872</b>	<b>43,254</b>	<b>13,509,051</b>

An independent valuation of the company's works of art was carried out by Simon Storey valuers in December 2003. This indicated a market value of \$11,080,891.

Notes	2005 \$	2004 \$
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## 12. CURRENT LIABILITIES - PAYABLES

Trade Creditors	570,887	612,364
Other Creditors	588,403	652,781
	<b>1,159,290</b>	<b>1,265,145</b>

## 13. CURRENT LIABILITIES - PROVISIONS

Provision for sponsor benefits		10,000	10,000
Provision for annual leave	1 (F)	173,260	180,583
Provision for long service leave	1 (F)	115,018	60,444
		<b>298,278</b>	<b>251,027</b>

## Employee numbers

Average number of employees during the financial year	70	70
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	Notes	2005 \$	2004 \$
<b>14. CURRENT LIABILITIES - INCOME IN ADVANCE</b>			
Income in Advance		210,700	136,995
Income in Advance: government grant		1,410,000	1,350,000
		<u>1,620,700</u>	<u>1,486,995</u>

#### **15. RETAINED PROFITS**

##### **Retained Profits**

Retained profits at the beginning of the financial year		14,752,035	14,329,356
Net profit		178,092	422,679
<b>Retained profits at the end of the financial year</b>		<u>14,930,127</u>	<u>14,752,035</u>

Included in the above amounts are:

- Forgiveness of loans	1 (P)	6,565,390	6,565,390
- Gifts of works of art to the Collection	1 (I)	5,245,814	5,173,355

#### **16. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to variety of financial risks including credit risk and interest rate risks. Objective of Company's overall risk management program focuses to maximise the benefit to the Company.

##### *Credit Risk Exposures*

The credit risk on financial assets of the Company is the carrying value, net of any provision for doubtful debts.

##### *Interest Rate Risk Exposures*

The Company's exposure to interest rate risk and the interest rate for each class of financial assets and liabilities are set out in note 7.

##### **Net Fair Value of Financial Assets and Liabilities**

Financial assets and liabilities comprise of cash at bank. The net fair value of financial assets and liabilities approximates their carrying value.

## 17. RELATED PARTIES TRANSACTIONS

### (a) Directors

The names of persons who were directors of the company at any time during the financial year are as follows: D Coe, A Love, P Steigrad, G Woolley, L Turnbull, P Ivany, C Schwartz, M Dwyer, M Cullen, and C Harris. All of these persons were also directors during the year ended 31 December 2005, except for M Dwyer who was appointed on 17 May 2005 and M Cullen and C Harris who were appointed on 16 August 2005. In addition, T Janke held office as a director until her retirement on 16 August 2005.

### (b) Key management and personnel compensation

Key management personnel compensation for the years ended 31 December 2005 and 2004 is set out below. The key management personnel are all the directors of the company and the five executives with the greatest authority for the strategic direction and management of the company.

	Short-term benefits \$	Post-employ- ment benefits \$	Other long- term benefits \$	Termination benefits \$	Share-based payments \$	Total \$
2005	591,411	-	2,506	-	-	593,917
2004	573,515	-	4,565	-	-	578,080

## 18. SEGMENTS

The principal activity of the Company during the year was the management of the Museum of Contemporary Art. The Company operates predominantly in one geographical area, being Australia.

## 19. SHARE CAPITAL

The Company is a company limited by guarantee and as such does not have authorised or issued capital. Every member of the Company undertakes to contribute to the property of the Company, in the event of the Company being wound up during the time that the member is a member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which the member ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributors amongst themselves, such amounts as may be required not exceeding twenty dollars (\$20.00).

## 20. ECONOMIC DEPENDENCY

The MCA is partially funded by the Government of the State of New South Wales under the auspices of its Ministry for the Arts.

## 21. SUBSEQUENT EVENTS

There has not been any matter of circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the company in subsequent years.

## 22. GRANTS

### *(i) Ministry for the Arts*

Grant of \$2.705M [2004: \$2.75M] was received from the Ministry for the Arts NSW for the period from January to December 2005. Grant of \$1.35M was also received in advance from the Ministry for the Arts for the period from January to June 2006.

### *(ii) Australia Council*

Grant of \$620,750 [2004: \$250K] was received from the Australia Council for the period from January to December 2005. Grant of \$60K was also received in advance for 2006 from the Australia Council.

The details of grant are as follows:

- VAC KO Grant of \$250,000
- VAB KO Grant of \$255,750
- Grant for "New Australian Stories" of \$110,000 - \$90,000 for 2005 and \$20,000 in advance for 2006
- Grant for "To present a series of discussion" of \$25,000
- Grant for "New Constellations" of \$40,000 - grant in advance for 2006

### *(iii) Sydney Harbour Foreshore Authority*

Grant of \$300K [2004: \$300K] was received from Sydney Harbour Foreshore Authority for the period from January to December 2005.

### *(iv) Other grants*

Grant of \$32K [2004: \$12K] was received from Mondriaan, Bundeskanzleramt and Department of Foreign Affairs for the period from January to December 2005.



	Notes	2005 \$	2004 \$
<b>23. TRADING ACCOUNT</b>			
Sales - Merchandise		857,287	1,044,750
Less: Cost of Goods Sold		(521,091)	(614,150)
<b>Gross Profit</b>		<b><u>336,196</u></b>	<b><u>430,600</u></b>

#### **24. CONTINGENT LIABILITIES**

The Company does not have any contingent liabilities at 31 December 2005.

#### **25. COMMITMENTS**

(a) Company as lessee

##### *Operating leases*

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2005 \$	2004 \$
Within one year	69,900	63,096
Later than one year but not later than 5 years	279,600	349,500
Later than 5 years	180,575	180,575
Commitments not recognised in the financial statements	<b><u>530,075</u></b>	<b><u>593,171</u></b>

(b) Company as lessor

##### *Operating leases*

Future minimum lease payments expected to be received in relation to non-cancellable operating leases are as follows:

	2005 \$	2004 \$
Within one year	2,217,376	2,168,888
Later than one year but not later than 5 years	7,730,904	8,232,400
Later than 5 years	49,760,520	51,476,400
Commitments not recognised in the financial statements	<b><u>59,708,800</u></b>	<b><u>61,877,688</u></b>

	Notes	2005 \$	2004 \$
<b>26. Reconciliation of net profit to cash used in operating activities</b>			
<b>Net Profit</b>		<b>178,092</b>	<b>422,679</b>
Depreciation and Amortisation		414,416	346,655
Gifts of artworks		(72,459)	(176,882)
Net gain on disposal of fixed assets		(8,551)	-
<b>Changes in assets and liabilities:</b>			
Increase in provisions		47,251	66,054
Increase/(Decrease) in income in advance		133,705	(301,454)
(Increase)/Decrease in receivables		(301,000)	486,922
Decrease/(Increase) in prepayments		8,395	(188)
(Increase) in inventory		(25,063)	(44,743)
(Decrease) in trade creditors		(41,477)	(214,852)
(Decrease)/Increase in other creditors		(64,379)	301,138
<b>Net cash inflow from operating activities</b>		<b><u>268,930</u></b>	<b><u>885,329</u></b>

There were no bank overdrafts at 31 December 2005.

## **27. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (AIFRSs)**

With the transition to AIFRS, some accounting policies have changed. The transition has had no impact on equity of opening AIFRS balance sheet and income statement at the date of transition and for the year ended 31 December 2004.

The only change to comparative figures is the reclassification of the provision for long service leave from current to non-current as MCA does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Director's Declaration  
For the year ended 31 December 2005**

In the directors' opinion:

(a) the financial statements and notes set out on pages 4 to 19 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

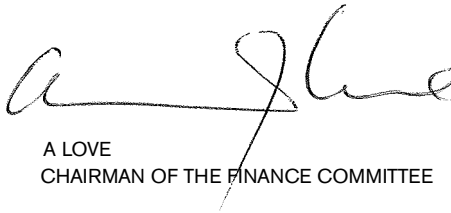
(ii) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



D COE  
CHAIRMAN OF THE BOARD  
Sydney 12 April 2006



A LOVE  
CHAIRMAN OF THE FINANCE COMMITTEE

**Independent audit report to the members of  
Museum of Contemporary Art Limited**

PricewaterhouseCoopers  
ABN 52 780 433 757

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**Audit opinion**

In our opinion, the financial report of Museum of Contemporary Art Limited:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Museum of Contemporary Art Limited as at 31 December 2005 and of its performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

**Scope**

**The financial report and directors' responsibility**

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Museum of Contemporary Art Limited, for the year ended 31 December 2005.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit approach**

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the

Company's financial position, and of its performance as represented by the results of its operations, changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

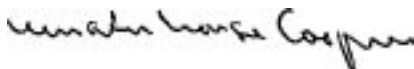
Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers

R.L. Gavin  
Partner

Sydney  
12 April 2006

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#### Auditor's Independence Declaration

As lead auditor for the audit of Museum of Contemporary Art Limited for the year ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit. This declaration is in respect of Museum of Contemporary Art Limited during the period.



R.L. Gavin  
Partner

Sydney  
12 April 2006



**MUSEUM OF  
CONTEMPORARY ART  
CIRCULAR QUAY WEST  
THE ROCKS**

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