



The Melbourne Athenaeum Incorporated

ANNUAL REPORT 2019

Presented July 2020



In what is believed to be a first for the library, Lauren and Ira celebrated their wedding amongst the bookshelves

The Melbourne Athenaeum

President's Report

The Melbourne Athenaeum Library reached a membership milestone of 800 in 2019. The organisation has steadily grown in numbers over the past decade and book borrowing is now only one reason why people join; the increased services and cultural program continues to expand.

This year we farewelled Rose Blustein who worked as our Honorary Librarian for six years. Rose did an outstanding job in providing leadership to the staff and setting up the library to continue its success in future years. I would like to thank Rose for her valued contribution.

The library underwent a major renovation this year with new carpet, paint and furniture making the space an inviting place to sit and read or enjoy one of the many performances. I would like to thank all members who donated to the Annual Giving Appeal, all the funds of which go to direct improvements in the library.

Our playwright residency continues with Angus Cerini following on from Patricia Cornelius. Angus was the recipient of a Green Room award for his play *The Bleeding Tree*, produced by Sydney's Griffin Theatre Company. We look forward to a reading/performance of one of his works this year.

The committee is very proud of the arts program being developed and the broader role this is playing in Melbourne's artistic landscape. The Melbourne Athenaeum supports the playwright and an artist residency, it's "Body in the Library" short story prize is now hotly contested at the Sisters in Crime annual Scarlet Stiletto awards, and the Friday evening music performances provide an eclectic music program and a great members' event.

Financially the Melbourne Athenaeum is in a strong position with cash reserves that will allow us to trade through the COVID-19 crisis. Our cashflow has been impacted by the rental reductions offered to support our building tenants, and consequently the

organisation has needed to reduce its operating costs in the short term to ensure we remain viable into the future.

During this time the staff have been focused on setting up online book clubs and providing support to our members. The online book clubs are proving to be a great success with plenty of contributors and just as many happy to listen to the discussion. If you've ever thought about joining a book club now is the time.

I would like to thank the library staff, volunteers and committee members who have provided their time and expertise throughout the year and look forward to continued growth of the Melbourne Athenaeum.

Don Smith
President

Business Manager's Report

My 2018 report for the 2019 Annual General meeting opened with the joyful announcement that in 2018 we managed yet again to keep the library doors open and maintain it as a welcoming and constantly evolving space. A lot can happen in one year.

At the commencement of 2019, the library closed its doors for two months due to a severe rain storm and freak accident that saw a takeaway coffee cup block a roof downpipe, causing a significant flood in the floor above the library and our lathe and plaster ceiling collapse. Doors closed and now, at the commencement of 2020, once again our beloved library is silent, but for all the wrong reasons.

This report provides members with a commentary on the performance of the organisation as a whole, with the library well and truly at its heart in 2019. The

organisation's primary focus was the completion of the Library Interior Master Plan, funded and supported with donations from our very generous members. That generosity was further demonstrated when the 2019 Annual Giving Appeal asked members to donate funds to enable us to purchase the chairs recommended in that plan. With over \$14,000 raised, an order could be placed, and new leather and American oak chairs arrived in early 2020.

Implementation of the Interior Master Plan didn't stop there. The plan itself went on display in the library during the middle of the year, and the committee considered what the organisation could afford to implement in 2019. The major work required the relocation and refit of the library desk to the centre of the space – where it had resided in the 1940s. We were tasked with finding a cabinet maker who could refit the desk's interior, while maintaining the integrity of its beautiful exterior.

It was Mitch and Tim, the builders overseeing the library ceiling repairs who introduced us to Colin Lang, the carpenter who brought care and passion to the task. We were so fortunate to meet him – as Tim said, "If Colin can't do this job, I don't think anyone in Melbourne could." When Colin agreed to take on the job, it was clear that Mitch and Tim from Skyline Building should project manage the job. If you haven't visited the library to see the desk, there is a photo on page nine of this report.

As with all building project planning, there was a "knock on" effect to initiating some parts of the project. If the desk was moved, then we should do the carpet. If we do the carpet, we should relocate the wiring and spaghetti of leads around and under the windows. If we remove boxes and wiring, we should paint. It seemed the only sensible option was to complete as much of the Master Plan as feasible. Heritage Victoria applications were lodged, and project funding was approved by the committee.

Staff commenced planning for a closure that afforded the least impact to members. It was agreed to extend the Christmas closing period and have work completed then. We reopened in January with a joyful celebration,

and members were overwhelmingly positive about the library's transformation. It was the committee's hope, and I believe we've succeeded, that this interior design will see the library into the next century. This is at the heart of our vision: "To enter our third decade as a vibrant cultural institution in Melbourne."

The committee was also required to develop a plan to secure a long-term lease for the historic Athenaeum Theatre. It is the organisation's primary income source and our current tenants were enthusiastic to continue their residency. The committee and AT Management reached an agreement in July 2019 and the new lease was signed and is effective from March 2020.

AT Management has been the resident theatre operator for more than 35 years; the directors are more familiar with the building's ghosts than anyone currently connected to the building. I continue to enjoy constructive relationships with each tenant, and this spirit of co-operation has cemented a mutually beneficial working partnership. These relationships will, we hope, continue to provide additional value to your library membership through discounts, and other benefits in the future.

On a personal note, I'd like to thank Rose Blustein who held the position of Honorary Librarian for six years and retired at the end of the year. The library has been fortunate to engage Fiona Malcolm to take up the leadership role of Librarian in 2020. We also welcome Eunice Ang, who is working each Friday and Saturday as the Library and Events Support.

Sue Westwood Business Manager

Library Report

You could be forgiven for thinking that ushering in the New Year with ceiling issues necessitating a two-month closure of the library is a sign of a slow year ahead. Against the odds, the library can look back on 2019 as a year full of special celebrations, increased activity, new initiatives and a library that has never looked better.

Our member community has continued to thrive with the addition of a new Friday Book Club, an Art Appreciation Group and another Writers Group, bringing the number of user groups who regularly meet at the library to fourteen.

We're pleased to report that our popular events program was as active as ever with any events disrupted by the library closure rescheduled for later in the year. We even made use of the building foyer to host Australia's most talented new detective fiction author, Dervla McTiernan.

The revival of Members' Evenings proved a great way for members and staff to better get to know each other over a glass of wine and nibbles.

A personal highlight for me was our very first wedding to be hosted at the library! It was a joy to see library member Lauren and Ira Francis tie the knot surrounded by friends, family and 30,000 books.

The library continued to partner with the local Melbourne arts community with playwright-in-residence Angus Cerini spending much of the year working away in the library. We're looking forward to collaborating with Angus on presenting a special performance for members later in 2020. Melbourne Rare Book Week saw graphic novelist Chris Gooch relocate his studio to the library for a week in July and provided us all with a fascinating insight into how a graphic novel comes to be.

The ever-popular rare books librarian, Richard Overell, gave his seventh annual talk on the niche field of collecting useful books.

Combining two of our favourite interests of Melbourne history and the arts, author and artist Barry Dickins shared his tales of watching the northern suburbs transform into the vibrant arts community it is today at the annual Marcus Clarke Lecture.

2019 was also a landmark year as it saw the library membership reach a milestone of 800 members! The growing membership is a testament to the wonderful community that has built up around the library in recent years and we look forward to enjoying the new-look library with you all for years to come.

Thanks, as always, has to go to our hard-working volunteers without whom the library would not be the wonderful place that it is today.

We'd also like to extend a very special thank you to retiring Honorary Librarian Rose Blustein who has done a fantastic job of leading the library from strength to strength.

Tom Coleman Library & Administration Co-ordinator



President Don Smith with Library & Administration Co-ordinator Tom Coleman and Business Manager Sue Westwood

Archives Report

As you take the stairs to the Melbourne Athenaeum Library your attention is drawn to the series of clay sculpted or graphite drawn hands, the *Hands in Print*. Abbotsford artist Bridget Nicholson was commissioned originally by Readers' Feast founder Mary Dalmau, in collaboration with Kay Craddock Antiquarian Bookseller and the Melbourne Athenaeum Library, to create a series that honors the significant contributions to the literary community as a permanent art installation. Allow your eye to scan the names of so many fine Australian authors and it is easy to imagine why their hands should form part of the Melbourne Athenaeum's archive collection.

The artworks held in the Melbourne Athenaeum's archives are growing and now include an interesting collection of works by Melbourne-based contemporary artists. Since the Rare Book Week artist residency commenced in 2012 the organisation has collected a work by each resident artist. Most of these smaller, paper-based artworks are on display in the library's timber and glass case at the library's entrance – take a closer look at these works next time you visit. You may be surprised to see work by Kyoko Imazu, Anne Kuchera, Bruno Leti, Ruth Johnstone, Deborah Klein and Chris Gooch.

There is also work proudly displayed on the library walls that dates back 100 years, to a time when regular exhibitions were hosted by the Victorian Artists Society in the second-floor art gallery of this building.

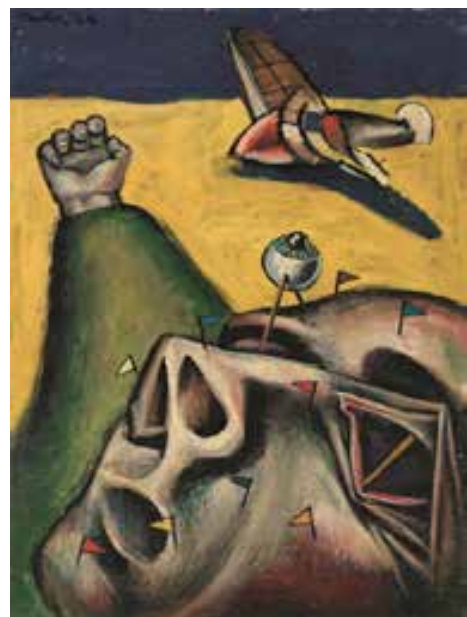
In 2019, volunteer Merran Fuller completed some extensive research into one specific exhibition, the *Anti-Fascist Exhibition* held in December 1942. Three years after the start of World War II, the Contemporary Art Society had the courage to host a ground-breaking and provocative exhibition in the Athenaeum Gallery. The images were confronting, and the political stance was challenging, which ensured the displayed works attracted the attention of the press and the public. Exhibiting artists included Albert Tucker, John Perceval, Sidney Nolan, Noel Counihan, Vic and Ailsa O'Connor and Jewish émigré Yosl Bergner. The exhibition was a two-pronged attack against rising fascism in Europe and the conservative art establishment in Australia.

Using an exhibition catalogue as the starting point for her research, Merran was able to identify the artists, and which of their works were exhibited. Further research allowed her to build a picture of where the artworks are now, including in the collections of the National Gallery of Victoria and National Gallery in Canberra. In doing so, Merran also established some research methods to assist future archives volunteers to continue the work she has commenced, which will allow the Melbourne Athenaeum to fully understand the significance of the Athenaeum Art Gallery to Melbourne's cultural history.

So next time you visit, take a closer look at the work on display in the library, and the *Hands in Print* on walls leading to its entrance. The artworks are a growing part of the Melbourne Athenaeum's rich archive.

If you are interested in regularly volunteering for the Athenaeum Archives, please contact Business Manager Sue Westwood at manager@melbourneathenaeum.org.au or mention it to a library staff member.

Merran Fuller is a mixed-media Melbourne-based artist whose works range from realist, semi-abstract and abstract artworks on paper and digital prints. Merran studied Art & Design, majoring in printmaking at Victoria College (now Swinburne) from 1980–1982.



Death of an Aviator, by Albert Tucker
© Albert & Barbara Tucker Foundation
Courtesy of Sotheby's Australia

THE MELBOURNE ATHENAEUM IN PICTURES 2019

Faces of the Melbourne Athenaeum



Top: Crime Fiction Book Club meeting.

Centre: Staff and Volunteers morning tea L-R: Tom, Clare, Norma, Perry, Margaret, Lynne, Christine, Sue and Anne.

Left: Management Committee: Back L-R: Chris Johnson, Christine Gibbs, Don Smith, Kevin Quigley. Front L-R: Sue Westwood, Barbara Gliddon, Marianne Dunham. (Absent: Matt Balmford, Louise Box, Michael Fawaz)

THE MELBOURNE ATHENAEUM IN PICTURES 2019

A diverse cultural program



THE MELBOURNE ATHENAEUM IN PICTURES 2019

A diverse cultural program



Previous page: Rare Book Week resident artist Chris Gooch (top left), Dave Hogan and Steve Lucas (top right), Rebecca Barnard (centre left) and Barry Dickins (centre right), Ultrafox (bottom left), Julien Wilson (bottom right).

This page: Pianist, Gideon Preiss (above), author Sara Foster (right), Scarlet Stiletto and Body in the Library winner Blanche Clark (below), resident playwright Angus Cerini (below right)



2019 Lows and Highs



The year commenced with a freak storm that caused a flood from the roof into the floor above the library and a significant ceiling collapse. One library member was injured while assisting staff to remove books from the shelves during the flood, but fortunately made a full recovery.

Water damage forced the library to close so the damage could be repaired. Specialist plasterers were needed to complete the lathe and plaster work.

Once the library re-opened in April 2019, members returned to support a full calendar of activities and events held through the year.

Funds were committed to the library refurbishment and it was a difficult decision to close the library early in December to commence work on the renovation. Members' patience was again tested, but the feedback on the work completed has been overwhelmingly positive.



2019 Annual Giving Appeal

Financial support by members and friends helped to purchase furniture that complements the library interior renovation completed in January 2020.

The impact of a tax deductible donation each and every year becomes a significant sum over time. More than \$70,000 has been raised through the giving appeal since 2010. The Public Fund Trustees, Mr Kevin Quigley and Mr Esmond Pitt thank Mr Frank Hurley who retired as a trustee in 2019. Former Treasurer and Vice President Mr Andrew Barnes was appointed as Public Fund Trustee in 2019. The following donations were received this year with thanks:

\$500 or more

Anon (4), Mr G Evans, Mr D Smith, Mrs M Wulff.

\$200 or more

Anon (4), Ms L Box, Mr G Field, Ms C Gibbs, Mr M Henry, Dr H Imber, Mr I McBeath, Ms V Prentice, Ms J Talbot, Ms S Westwood.

\$100 or more

Anon (20), Mr M Balmford, Ms R Bleathman, Mr R Brodribb, Mr D Chandler, Ms B Coffield, Mrs J Czucknowski, Mrs M Dalvean, Mr M Fawaz, Ms J Harris, Ms S Hughes, Mr B Humphries, Mr S Jones, Mr M Joyce, Prof W Kirsop, Mr M Korman, Ms D Klein, Ms A Lord, Ms KL Mar, Mr D McInnes, Mr D McLaren, Mr L O'Keefe, Mr K Parker, Mr D Patston, Ms L Payne, Mrs D Pitman, Ms AM Power, Ms D Underwood, Dr C Worth.

Up to \$100

Anon (29), Mr K Clissold, Ms D Cruse, Mrs C Debevc, Mr G Duke, Ms B Gliddon, Ms I Gosney, Mr G Hansen, Mr J Holden, Ms S Hughes, Ms D Icely, Mrs B Kitchen, Mrs G McLachlan, Ms L Mate, Ms R Seear, Dr S Supski, Mr R Tate, Miss J Thompson, Ms J Tregear, Mr R Youl.

The Melbourne Athenaeum Incorporated Management Committee

The following people held Committee positions and 12 meetings were held during 2019

	Members	Meetings Attended	Sub-Committees
	Don Smith, President	9/12	Executive, Property
	Kevin Quigley, Treasurer	10/12	Executive, Finance & Audit
	Sophie Arnold (Vice President)	6/8	Executive, Property
	Matthew Balmford	10/12	Property
	Louise Box	11/12	Marketing & Membership
	Marianne Dunham	12/12	Library
	Michael Fawaz	8/12	Library
	Christine Gibbs	10/12	Marketing & Membership
	Matthew Gisborne	4/5	Library
	Barbara Gliddon	11/12	Marketing & Membership
	Chris Johnson	8/8	Property



Staff and volunteers enjoyed a High Tea for the 2019 Christmas Party this year.
Catering and set up provided by Made by Misty

The Melbourne Athenaeum Incorporated

Patron: The Hon Linda Dessau, AC, Governor of Victoria

Management Committee

President: Don Smith
Vice President: Sophie Arnold (until July 2019)
Treasurer: Kevin Quigley
Committee: Matthew Balmford
Louise Box
Marianne Dunham
Michael Fawaz
Christine Gibbs
Matthew Gisborne (until April 2019)
Barbara Gliddon
Chris Johnson (from April 2019)

Athenaeum Staff: Sue Westwood, Business Manager
Rose Blustein, (Honorary Librarian)
James Baker
Tom Coleman
Clare Murayama
Lawana Coulson
David Pryor (Accountant)
Caroline Debevc (Senior Bookkeeper)

Library volunteers

Perry Anderson
Lea Beranek
Aaron Cook
Norma Gates
Lynne Johnston
Moyra McAllister
Pat Miller
Shannon Parsons

Archive volunteers

Margaret Bowman OAM
Merran Fuller
Ruby Gray
Kim Hughes
Anne Marsden
Doug McCann
Christine Perkins

Honorary Members

Marjorie Dalvean
Moyra McAllister
Leila Winchcombe

The Melbourne Athenaeum Incorporated
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The Melbourne Athenaeum Incorporated

The Pleasure of Words

Library Opening Hours 2019

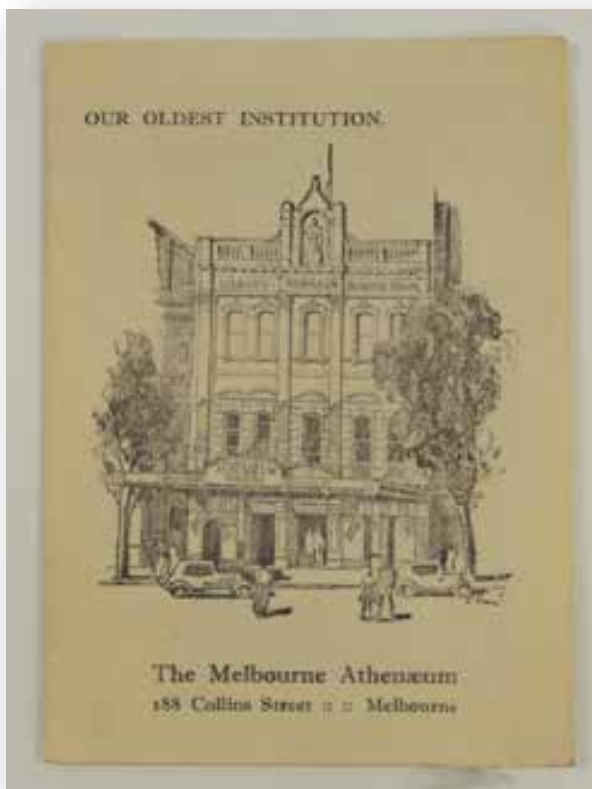
Mon/Tues/Thurs	10.00am—6.00pm
Wed:	10.00am—8.00pm
Fri	10.00am—4.00pm
Sat:	10.00am—2.00pm

Annual Membership Subscription

Full:	\$99.00
Concession:	\$89.00

Membership benefits:

- A historic library located in the heart of Collins Street;
- The latest books, magazines, newspapers, DVDs;
- Victoria's finest Crime Fiction and Biography Collections;
- A growing collection of eBooks and free IT help for readers and tablets;
- Regular live music performances, lectures, and book clubs;
- Free internet access;
- Friendly staff and a welcoming retreat, offering tea and coffee;
- 10% dining discount at the Bistrot d'Orsay on presentation of your library card.



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www.melbourneathenaeum.org.au

The Melbourne Athenaeum Inc.

Reg. No. A0010369T

Financial Statements

For the Year Ended 31 December 2019

The Melbourne Athenaeum Inc.

Reg. No. A0010369T

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For the Year Ended 31 December 2019

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Committee's Report

31 December 2019

The Committee members submit the financial report of the Association for the financial year ended 31 December 2019.

1. General information

Committee members

The names of Committee members throughout the year and at the date of this report are:

Names	Position
Don Smith	President
Barbara Gliddon	Acting Vice-President (Appointed 18/09/2019)
Sophie Arnold	Vice-President (Resigned 17/07/2019)
Kevin Quigley	Treasurer
Louise Box	Committee member
Marianne Dunham	Committee member
Michael Fawaz	Committee member
Matthew Gisborne	Committee member (Resigned 17/04/2019)
Christine Gibbs	Committee member
Chris Johnson	Committee member (Appointed 17/04/2019)
Matt Balmford	Committee member

Principal activities

The principal activities of the Association during the financial year were to manage a heritage building, provide a library and encourage cultural activity.

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The surplus of the Association for the financial year amounted to \$ 48,682 (2018: \$ 2,140).

Signed in accordance with a resolution of the Members of the Committee:

President:

Treasurer:



Don Smith



Kevin Quigley

Dated 25 March 2020

The Melbourne Athenaeum Inc.

Reg. No. A0010369T

Auditor's Independence Declaration to the Committee of The Melbourne Athenaeum Inc.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

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



Andrew Fisher, Partner (auditor registration number 306364) on behalf of
Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 294178 (ACN 115749598)

25 March 2020

Melbourne, Australia

Statement of Income and Expenditure

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Income			
Revenue	2	600,574	593,717
Other income	2	16,430	16,855
		<u>617,004</u>	<u>610,572</u>
Expenditure			
Depreciation and amortisation expense		36,904	35,814
Employee benefit expense		243,966	237,647
Advertising		10,777	8,515
Insurance		43,558	43,447
Office and administration costs		29,658	29,032
Other expenses		128,166	150,165
Repairs and maintenance		52,394	75,127
Rates, taxes and land tax		22,899	28,685
		<u>568,322</u>	<u>608,432</u>
Surplus		<u>48,682</u>	<u>2,140</u>
Retained surplus at the beginning of the financial year		<u>3,279,916</u>	<u>3,277,776</u>
Retained surplus at the end of the financial year		<u><u>3,328,598</u></u>	<u><u>3,279,916</u></u>

Statement of Financial Position

31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	461,803	428,675
Receivables	4	12,339	867
Other financial assets	5	58,917	48,756
Other non-financial assets	6	86,736	20,412
TOTAL CURRENT ASSETS		619,795	498,710
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,628,080	8,658,498
TOTAL NON-CURRENT ASSETS		8,628,080	8,658,498
TOTAL ASSETS		9,247,875	9,157,208
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	67,219	31,459
Employee benefits	9	40,514	39,761
Other liabilities	10	21,271	20,517
TOTAL CURRENT LIABILITIES		129,004	91,737
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		129,004	91,737
NET ASSETS		9,118,871	9,065,471
MEMBERS' FUNDS			
Asset revaluation reserve		5,791,613	5,791,613
Investment revaluation reserve		(1,340)	(6,058)
Accumulated surplus		3,328,598	3,279,916
TOTAL MEMBERS' FUNDS		9,118,871	9,065,471

The accompanying notes form part of these financial statements.

Statement of Changes in Members' Funds

For the Year Ended 31 December 2019

2019

	Accumulated surplus	Asset Revaluation Reserve	Investment Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2019	3,279,916	5,791,613	(6,058)	9,065,471
Surplus attributable to members	48,682	-	-	48,682
Revaluation changes for financial assets	-	-	4,718	4,718
Balance at 31 December 2019	3,328,598	5,791,613	(1,340)	9,118,871

2018

	Accumulated surplus	Asset Revaluation Reserve	Investment Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2018	3,277,776	5,791,613	-	9,069,389
Surplus attributable to members	2,140	-	-	2,140
Revaluation changes for financial assets	-	-	(6,058)	(6,058)
Balance at 31 December 2018	3,279,916	5,791,613	(6,058)	9,065,471

Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from subscriptions		59,781	68,781
Payments to suppliers and employees		(629,839)	(640,266)
Rental income		542,960	554,100
Interest and Investment income		16,430	11,320
Receipt from grants and other income		55,725	24,702
Net cash provided by operating activities	11	45,057	18,637
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(6,486)	(14,549)
Purchase of financial assets		(5,443)	(54,814)
Net cash used in investing activities		(11,929)	(69,363)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (decrease)/increase in cash and cash equivalents held		33,128	(50,726)
Cash and cash equivalents at beginning of year		428,675	479,401
Cash and cash equivalents at end of financial year	3	461,803	428,675

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a special purpose financial statement prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012. The Committee has determined that the not-for-profit Association is not a reporting entity.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial report has been 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.

The functional and presentation currency of the Melbourne Athenaeum Inc. is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method.

Grant and donation revenue is recognised when the Association obtains control over the funds. Revenue from membership subscriptions is recognised on a cash basis

Investment property revenue is recognised as and when receivable under the terms of the lease agreements with the property tenants.

All revenue is stated net of the amount of goods and services tax (GST).

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies continued

(e) Property, Plant and Equipment

Property

The land was purchased in 1842 and there have been no comparable sales in the immediate area for some time. In 2017 the Committee decided to value the land component of the Property to that calculated by the Tax Office for Land Tax purposes of \$3,060,000 resulting in a credit to the Asset Revaluation Reserve of \$3,060,000.

The building is a valuable heritage site and heavily protected by heritage orders. It is also subject to constant renovation and restoration. The replacement cost is difficult to determine so in 2017 the Committee decided to revalue it on the basis of its economic worth to The Melbourne Athenaeum, being a discounted calculation of actual and implied rentals for the next ten years. This resulted in a valuation of \$5,000,000 and a transfer to the Asset Revaluation Reserve of \$2,610,956.

Plant and Equipment

Plant and Equipment is carried at cost less depreciation over the useful life of the assets.

The Book Collection

In 2017 the Committee re-valued The Book Collection from the carrying value in 2016 of \$179,343 to \$300,000, resulting in a transfer to the revaluation reserve of \$120,657.

The valuation reflects the current replacement cost, based on the average purchase price of books during 2017 discounted by 50% to reflect the average age of The Book Collection.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of six months or less.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in income and expenditure.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies continued

(h) Leases

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The objective of the disclosures is for lessors to disclose information in the notes that, together with the information provided in the statement of financial position, statement of profit or loss and statement of cash flows, gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessor.

A lessor shall disclose a maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.

	First 5 years \$	Remaining years \$
Undiscounted lease payment to be received	2,492,345	711,137

2 Revenue and Other Income

Revenue from continuing operations

	2019 \$	2018 \$
Revenue		
- Grant income	-	7,500
- Provision of services	255	1,747
- Rental income	495,569	487,659
- Member subscriptions	54,346	62,565
- Other trading revenue	50,404	34,246
Total operating revenue	600,574	593,717
Other revenue		
- Interest and investment income	16,430	16,855
Total other revenue	16,430	16,855
Total Revenue	617,004	610,572

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Cash and cash equivalents

	2019	2018
	\$	\$
Cash and cash equivalents	461,803	428,675
Cash and cash equivalents	461,803	428,675

4 Receivables

	2019	2018
	\$	\$
CURRENT		
Receivables	22,647	9,535
Provision for impairment	(10,308)	(8,668)
Total current receivables	12,339	867

The carrying value of receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

5 Other Financial Assets

	2019	2018
	\$	\$
CURRENT		
Opening Black Rock investment	48,756	50,000
Distribution reinvested	5,443	4,814
Revaluation of investment	4,718	(6,058)
Closing value	58,917	48,756

6 Other non-financial assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	86,736	20,412
Total non-financial assets	86,736	20,412

Notes to the Financial Statements

For the Year Ended 31 December 2019

7 Property, plant and equipment

	2019	2018
	\$	\$
PROPERTY		
At Committee's valuation	<u>8,060,000</u>	<u>8,060,000</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	121,834	121,834
Accumulated depreciation	<u>(97,914)</u>	<u>(92,594)</u>
Total plant and equipment	<u>23,920</u>	<u>29,240</u>
Furniture, fixtures and fittings		
At cost	216,512	216,341
Accumulated depreciation	<u>(115,159)</u>	<u>(101,694)</u>
Total furniture, fixtures and fittings	<u>101,353</u>	<u>114,647</u>
Office equipment		
At cost	87,171	81,271
Accumulated depreciation	<u>(75,948)</u>	<u>(70,784)</u>
Total office equipment	<u>11,223</u>	<u>10,487</u>
The Book Collection		
At Committee's valuation	<u>300,000</u>	<u>300,000</u>
Theatre Fittings		
At cost	250,694	250,694
Accumulated depreciation	<u>(119,110)</u>	<u>(106,570)</u>
Total theatre fittings	<u>131,584</u>	<u>144,124</u>
Total plant and equipment	<u>568,080</u>	<u>598,498</u>
Total property, plant and equipment	<u>8,628,080</u>	<u>8,658,498</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

8 Trade and other payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	45,033	8,613
GST payable	3,562	6,947
Sundry payables and accruals	18,624	15,899
Total trade and other payables	67,219	31,459

9 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for employee benefits	40,514	39,761
Total employee benefits	40,514	39,761

10 Other liabilities

	2019	2018
	\$	\$
CURRENT		
Income received in advance	21,271	20,517
Total other liabilities	21,271	20,517

11 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2019	2018
	\$	\$
Surplus for the year	48,682	2,140
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- depreciation	36,904	35,814
Changes in assets and liabilities:		
- decrease/(increase) in receivables	(11,472)	180
- decrease in other non-financial assets	(66,324)	7,031
- (decrease)/increase in trade and other payables	35,760	(7,823)
- (decrease)/increase in other liabilities	754	(18,456)
- (decrease)/increase in employee benefits	753	(249)
Cashflow from operations	45,057	18,637

Notes to the Financial Statements

For the Year Ended 31 December 2019

12 Remuneration of Auditors

	2019	2018
	\$	\$
Remuneration of the auditor of the Association, Banks Group Assurance Pty Ltd, for:		
- Auditing or reviewing the financial report	<u>6,500</u>	<u>6,500</u>

13 The Melbourne Athenaeum Deductible Gift Recipient Fund

The Melbourne Athenaeum Deductible Gift Recipient Fund was created to keep donations separate from the Athenaeum's general funds and facilitate the tax deductibility of donations, in accordance with the requirements of tax legislation and related guidance. For accounting purposes, the fund is treated as a separate entity to the Melbourne Athenaeum Incorporated and its income and expenditure is not incorporated in these accounts.

14 Library Renovation

As at 31st December 2019, the Melbourne Athenaeum has entered into contracts totalling \$144,993 with a number of suppliers for the renovation of the Library and its facilities. At the date of these accounts, \$63,377 has been taken up in the Balance Sheet under Prepayments.

15 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2019 (31 December 2018: None).

16 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 March 2020 by the Committee of Management.

The rapid outbreak of the coronavirus (COVID-19) presents an alarming health crisis and has a significant impact on the economies of the affected countries. The extent of the impact of COVID-19 on the Association's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its members, employees and vendors all of which are uncertain and cannot be predicted.

This event will not individually or collectively cast a significant doubt on the Association's ability to continue as a going concern and the going concern assumption is still appropriate as a basis for the preparation of the Association's financial statements.

17 Association Details

The registered office of the Association is:

The Melbourne Athenaeum Inc.

188 Collins Street

MELBOURNE VIC 3000

The Melbourne Athenaeum Inc.

Reg. No. A0010369T

Statement by Members of the Committee

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial report as set out on pages 3 to 13:

1. Presents fairly the financial position of The Melbourne Athenaeum Inc. as at 31 December 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Melbourne Athenaeum Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President:



Don Smith

Treasurer:



Kevin Quigley

Dated 25 March 2020

Independent Audit Report to the members of The Melbourne Athenaeum Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of The Melbourne Athenaeum Inc. (the Association), which comprises the statement of financial position as at 31 December 2019, the statement of income and expenditure, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the Committee.

In our opinion, the accompanying financial report of the Association for the year ended 31 December 2019 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1(a) of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in complying with the financial reporting provisions of the Associations Incorporations Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

We also draw attention to Note 16 of the financial report, which describes the events occurring after the reporting date. The COVID-19 outbreak has caused business disruption through closure of the library and impact on tenant businesses. While disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time. Our opinion is not modified in respect of this matter.

Responsibilities of Officers and Those Charged with Governance

The officers of The Melbourne Athenaeum Inc. are responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as the officers determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

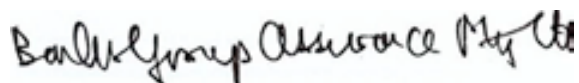
Those charged with governance are responsible for overseeing the Association's financial reporting process.

The Melbourne Athenaeum Inc.

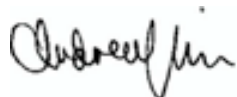
Independent Audit Report to the members of The Melbourne Athenaeum Inc.

Auditor's Responsibilities for the Audit of the Financial Report

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



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



Andrew Fisher FCA, Partner
Registration number 306364

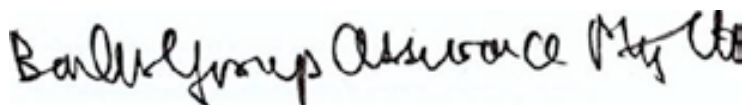
Melbourne, Australia.

25 March 2020

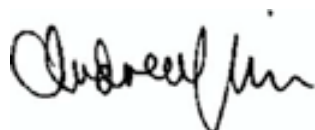
Disclaimer

For the Year Ended 31 December 2019

The additional financial data presented on page 18 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 31 December 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than The Melbourne Athenaeum Inc.) in respect of such data, including any errors or omissions therein however caused.



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



Andrew Fisher FCA, Partner
Registration number 306364

Melbourne, Australia

25 March 2020

Income and Expenditure Account

For the Year Ended 31 December 2019

	2019 \$	2018 \$
Income		
Member subscriptions	54,346	62,565
Operating grants	-	7,500
Other income	16,430	16,855
Other trading revenue	50,405	34,246
Provision of services	255	1,747
Rental revenue for property investment	495,569	487,659
Total Income	617,005	610,572
Less: Expenses		
Accounting fees	(26,375)	(25,150)
Advertising and promotion	(10,777)	(8,515)
Auditor's remuneration	(6,300)	(6,202)
Bank charges	(816)	(744)
Board and AGM expenses	(1,889)	(1,719)
Book purchases	(32,143)	(33,431)
Cleaning	(1,986)	(6,911)
Computer expenses	(12,149)	(14,208)
Consultancy	(14,338)	(21,150)
Depreciation	(36,904)	(35,814)
Electricity	(3,630)	(3,842)
Freight and cartage	(96)	(127)
Insurance	(6,397)	(7,874)
Insurance - Building	(34,903)	(35,573)
Land tax	(19,173)	(25,318)
Magazines, journals and periodicals	(4,014)	(2,867)
Member functions and newsletters	(1,101)	(1,542)
Office supplies	(1,445)	(1,408)
Postage	(3,331)	(6,485)
Printing and stationery	(537)	(5,953)
Provision long service leave	(3,278)	(2,070)
Rates and taxes	(3,726)	(3,366)
Repairs and maintenance	(52,161)	(75,128)
Salaries and wages	(219,380)	(210,486)
Staff training	(1,212)	(5,534)
Subscriptions	(3,550)	(1,867)
Sundry expenses	(41,380)	(39,774)
Superannuation contributions	(20,096)	(19,557)
Telephone	(4,260)	(4,944)
Workers' compensation insurance	(951)	(873)
Total Expenses	(568,298)	(608,432)
Surplus	48,682	2,140