



Heide Museum of Modern Art
2010 Annual Report

Heide
Museum of
Modern Art
Heide

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**STATEMENT
OF PURPOSE**

Heide offers an inspiring, educational and thought-provoking experience of modern and contemporary art, architecture and landscape.

VALUES

Creativity in cultural programming, audience development and profiling of the Museum

Sustainability of cultural, financial and environmental operations

Integrity in governance, leadership and museum management

2. HONORARY APPOINTMENTS

Patrons

Terry Bracks
Barbara Tucker

Fellows

Dr H Norman B Wettenhall AM (1915–2000)	1988
Georges Mora (1913–1992)	1989
Maria Prendergast OAM	1990
Baillieu Myer AC	1992
Loti Smorgon AO	1993
Victor Smorgon AC (1913–2009)	1993
Dr Barrett Reid AM (1926–1995)	1994
Dr Tom Quirk	1995
Maudie Palmer AO	1997
Stephen Charles	1998
Christine Collingwood	1999
Albert Tucker AO (1914–1999)	2000
Barbara Tucker	2000
Tom Lowenstein	2002
William J Forrest AM	2005
John Gollings	2006
Inge King AM	2006
Neil Everist	2007
Mirka Mora	2008
David Walsh	2009
Craig and Connie Kimberley	2010

3. CHAIRMAN & DIRECTOR'S REPORT

2010 was period in which Heide Museum of Modern Art operated as a fully integrated business and site due to the completion in 2009 of all major capital works. The Museum repositioned the Heide Collection as a significant asset accessible to the public; maximized revenue through commercial operations; and realised ambitious and critically acclaimed exhibitions and publications with increased national and international activities in exhibition programming.

Throughout 2010 Heide researched and delivered a range of outstanding exhibitions, publications, and education and public programs that addressed the core business of the Museum: to present and interpret Heide's nationally significant collection, and wide-ranging modern and contemporary visual cultures. The Museum's programs are detailed in this report. Of particular note was the Museum's demonstrated capacity to increase international content in its programming through two diverse exhibitions that brought artists into dialogue with each other and activated a viewing audience: *Simryn Gill: Gathering*, and *Up Close: Carol Jerrems with Larry Clark, Nan Golding and William Yang* were two large-scale exhibitions that reassessed the ways in which artists contribute fundamentally to, and reveal the social, political and material structures of their immediate environments and communities.

After three years closure and many months of planning Heide I, the original home of John and Sunday Reed, was reopened to the public in March.

Redefining the purpose and functionality of Heide I was part of a broader plan also incorporating change to the function of Heide II to consolidate the identity of the Museum and provide greater public access to the riches of its Collection. In response to strong public interest in the history of Heide I and its inhabitants, Heide senior management and staff used the three-year closure of the house to determine the optimum purpose of this historically important site, and to undertake essential overdue building maintenance.

Curatorial and collection management staff conducted in-depth research into daily life at Heide including the development of the property and gardens, and the Reeds' contribution to Melbourne's cultural history. They completed extensive foundational work on the organisation of the Heide Archive: an ongoing project to consolidate and expand the significant holdings of documentary material related to the interwoven social and art histories of Heide during the Reeds' residence, archival material specific to artists of the Heide circle, and more recent documents about the Museum including its collection and exhibition programs. Housed in Heide I, the Archive will be augmented with original documents, photographs and oral histories as they come to light.

To enhance the visitor experience of this iconic destination through a more authentic representation of the Reeds' unique vision for their home and gardens, the Heide I house has been returned to the Reeds' original French Provincial-inspired aesthetic of the 1940s, a highpoint in the property's history. The refurbishment

incorporates Sunday's interior and exterior colour preferences; the reintroduction of personal effects and artworks; and the restoration of the gardens and orchard. The new exterior pale pink colour, made available through Dulux, was supported by Albert Tucker's c. 1962 photograph of Sunday Reed standing in front of Heide I.

We are grateful to The Ian Potter Foundation for its significant support of Heide I and its renewed purpose.

The exhibition and associated best-selling publication *Sunday's Kitchen: Food and Living at Heide* curated and written by Lesley Harding and Kendrah Morgan, inaugurated the new exhibition program in Heide I. *Sunday's Kitchen* assembled a selection of archival material, artworks and the Reeds' household effects to explore in detail life behind-the-scenes at Heide between 1935 and 1981. The book was published by the Museum in partnership with Melbourne University Publishing (Miegunyah Press) and the State Library of Victoria, and presented new research on the Reeds' lives and their development of the property. A highlight of the exhibition was the discovery in the State Library collections of a photograph revealing the exact location of Sunday Reed's celebrated Heart Garden, a living tribute to her long love affair

with artist Sidney Nolan. Found as a tiny negative taken by the Reeds' close friend John Sinclair around 1949, the aerial view of the house and walled garden, taken from a pine tree that once stood near the front gate on Templestowe Road, revealed the outline of the Heart Garden, enabling Heide Head Gardener Dugald Noyes to accurately situate and re-create the garden to scale.

The gardening team also undertook a very successful refurbishment of the celebrated Heide II Kitchen Garden.

Further clarifying the purposes of Heide's buildings and ensuring an integrated site, Heide II was rededicated in April to two changing displays per annum from the Collection, leaving Heide III to special exhibitions, contemporary projects and the Albert and Barbara Tucker Gallery program. These clarified purposes were key strategic priorities in the 2010 Business Plan.

2010 presented ongoing fiscal challenges as Heide consolidated its operations in a still-volatile and highly competitive economic environment, and managed a complex site now including a café that in 2010 served in excess of 70,000 booked patrons. Senior Management steered the Museum through the final year of a three-year Corporate Plan – *Heide SMart Strategy 2008–10*.

This Plan was the foundation of Heide's long-term commitment to operating as a sustainable art museum through the application of various sustainable methodologies across the Museum's environmental, financial and cultural objectives. The Museum has addressed whole-of-site water, energy and waste management through implementation of innovative, best-practice processes, systems and technologies, and it has provided sector leadership through knowledge transfer via peak bodies, peer groups and the community through programming, education and communications activities.

Heide submitted a sixth and final milestone report to Sustainability Victoria summarising the outcomes of the Museum's 2008 grant provided through the Sustainability Fund. These key outcomes included the development and adoption of Sustainability Vision Statement, and detailed delivery plans for implementation of sustainability initiatives across exhibitions, education and public programming, marketing, partnerships and operational activities. Water tank installation and energy-efficient facilities maintenance upgrades realised reductions of 11% in electricity usage, 17% in gas usage and 18% in mains water consumption since 2008.



Heide's commercial operations across the Heide Store, Visitor Services, Membership and Café Vue at Heide delivered outstanding results to the Museum, further emphasizing the functional success of an operational business model.

We are most grateful for the ongoing support of the Victorian Government through Arts Victoria and in particular the support of the previous Government and the current Government of the Premier Ted Baillieu.

We were delighted in December to announce Craig and Connie Kimberley as the 2010 Heide Fellows for their long-term service and dedication to Heide through Craig's participation as a Heide Board Director between 2004-10, and Connie's commitment to the Connie Kimberley Sculpture Park.

During 2010 ticketed visitation to Heide totalled 52,388 people, and in excess of 90,000 people visited the site. Ticketed admissions for 2010 were significantly higher than in the previous two years, reflecting both the strength of the 2010 exhibition programming and a full year of operations. Both admissions and revenue were up 37% from 2008 and 40% higher than 2009. Whilst Heide's 2010 financial results show a surplus, this is predominantly due to non-cash income represented by donations of works of art. In 2010 Heide welcomed contributions from philanthropic endowments and an increase in private giving, however, it also operated in a competitive and still-volatile financial environment recovering from the effects of the Global Financial Crisis.

Heide received exceptional support in 2010 from Government Partner Arts Victoria; Heide Partners Aesop, Arnold Bloch Liebler, Yering Station, Gollings Photography, Gunn & Taylor Printers, International Art Services, JCDecaux, Sanpellegrino, Sofitel Melbourne, Space Furniture, Spicers Paper; Tsar; Education and Public Programs Partner Manningham City Council; Heide Supporters Image On Line and Mecca Medialight.

We wish to acknowledge the commitment and work of Heide's Board of Directors, who provided expert advice and support to Heide management and staff throughout a significant year of redefinition of the Museum's business. We would like to acknowledge particularly the contribution of retiring Board Directors Craig Kimberley and Mark Newman.

Heide has a national reputation for artistic excellence and the scholarship of its exhibitions and publications; its education and public programs; for the quality of visitor experience, and its unique integration of art, architecture and landscape. Heide's professional staff developed and delivered ambitious, scholarly and critically acclaimed exhibitions, education and public programs, maintaining Heide's status as a leading Australian art museum valued for its historical foundations and legacy.

Heide's dedicated volunteers are integral to the life, dynamism and success of the Museum and we thank them very sincerely for their ongoing work in wide-ranging across Visitor Services, Retail, Curatorial, Development and Communications, Education and Public Programs, Heide's

archives and heritage gardens. Our volunteers' standards of excellence in front and back of house roles ensure Heide's reputation as an outstanding cultural destination.

In July 2010 Senior Management submitted to Government a new 2011-13 Corporate Strategic Plan based on a primary organisational imperative: to be financially and operationally sustainable. In 2010 Heide maximized the opportunity to finally operate as an integrated business and site due to the completion in 2009 of all major capital works. It confirmed its commitment to sustainability in all of its functions. The Museum repositioned the Heide Collection as a significant asset accessible to the public and realised ambitious and critically acclaimed exhibitions and publications, confirming its reputation as one of the most important cultural institutions in Australia.

Jason Smith
Director / Chief Executive Officer

Trevor Tappenden
Chairman



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4 CULTURAL PROGRAMMING

4.1 EXHIBITIONS

In an auspicious beginning to 2010, *Cubism and Australian Art* attracted the highest summer attendances to date. To cap off this hugely successful project, which closed in April, the book *Cubism and Australian Art* gained equal First Prize as the best Art History Catalogue of the year, as awarded by the Art Association of Australia and New Zealand in 2010. Judges Jeanette Hoorn and Jennifer Milam said that both book and the exhibition presented an “important milestone in the historiography of Australian Art” that was “an essential reference work in the field for scholars and the general public alike”.

The consolidation of Heide’s identity with the re-opening of Heide I, and the use of both Heide I and Heide II to present works from the Heide Collection, was a significant achievement for programming from March 2010 onwards.

In Heide II, *Affinities: The Heide Collection*, drew together significant works that reflected the history of the Reeds’ remarkable support for modern art from the 1930s to the 1970s, and traced connections between artists of the Heide circle and later generations. Each room showed works around a particular linking theme, while across the exhibition other connections emerged—a focus on memory, childhood, the depiction of inner feeling and the legacy of war. This was followed by *Drawings: The Heide Collection*, the first exhibition in over 25 years to survey drawings from the Heide Collection, which presented a rich account of the artists associated with Heide’s history and the advent of modern drawing in Australia.

Heide I was refurbished in March and opened as part-gallery, part-house museum, with revived surrounding gardens—including a new Heart Garden reinstated in accordance with historical record—considerably adding to the visitor experience. A new illustrated video presentation funded by John Downer was created to show in the Library, detailing key events in Heide’s history from the Reed’s purchase of the farm until the present day, and outlining the highlights of the Collection.

The opening exhibition in Heide I was *Sunday’s Kitchen: Food & Living at Heide*. Through photographs, archival material, artwork and recipes, it explored life at Heide between 1935 and 1981, when it was a celebrated haven for progressive modernist artists and the personal Eden of John and Sunday Reed. The associated book, by Heide curators Lesley Harding and Kendrah Morgan, was co-published by Heide, the State Library of Victoria and The Miegunyah Press, an imprint of Melbourne University Publishing. The book almost sold out in 2010 and will be republished in 2012 with a companion volume, *Sunday’s Garden*. The next exhibition following *Sunday’s Kitchen* was *MIRKA*, which showcased works from Heide’s collection by one of Melbourne’s best-loved personalities and artists, Mirka Mora, many of which are inscribed with delightful personal messages to John and Sunday Reed. Mirka painted a new mural on the latticed windows of the sunroom especially for the exhibition.

2 Simryn Gill: *Gathering* (installation view)
Photograph: John Brash

3 *Affinities: The Heide Collection* (installation view)
Photograph: John Brash



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In 2010 Heide hosted another three solo exhibitions of contemporary Australian artists. *Simryn Gill: Gathering* presented installations, objects, collections and photographs by leading Sydney-based Malaysian artist, Simryn Gill, exploring her interest in materials and their meanings, and the circulation of art and ideas in the wider world. A touring show from the Museum of Contemporary Art, Sydney, it was extended at Heide to include Gill's major work *Throwback*, comprising truck engine parts formed from various organic materials (shown for the first time in Australia after a debut at *documenta 12*); *My Own Private Angkor*, a photographic series with a remarkable resonance to Heide's gallery spaces and garden views; and *Garden*, an artist book drawing upon conversations collected by Gill in Heide's kitchen garden.

Charlie Sofo and Dylan Martorell also used found materials to make works for their project exhibitions: *Charlie Sofo: I wander* focused on the everyday act of walking and its importance to his work as a means of 'searching and finding, as a ritual or observation'. In *Dylan Martorell: Musique Povera*, the artist presented musical instruments hand-made from discarded tins, plant matter, wood, rocks and metal and a series of geometric drawings he uses as music scores.

A collaborative project by contemporary artists David Thomas (Australia) and Christoph Dahlhausen (Germany) took the form of a series of minimalist and subtle interventions in the transitory spaces and often overlooked zones at Heide. *Shifting Continuities: David Thomas and Christoph*

Dahlhausen encouraged viewers to look actively, directing our perception of spaces through abstract forms and materials.

A retrospective exhibition of an artist who grew up in Heidelberg was held in Heide III's Central Galleries. *Up Close: Carol Jerrems with Larry Clark, Nan Goldin and William Yang*, curated by guest curator Natalie King, traced the significant legacy of Australian photographer Carol Jerrems [1949–1980] through an extensive survey of her photographs and archival material. The exhibition situated her work alongside that of other photo-based artists from the 1970s and 1980s, revealing their remarkable capacity to capture people, places and events with candid intimacy through the photographic lens. A 244-page book with numerous commissioned essays was co-published by Heide Museum of Modern Art and Schwartz City to accompany the exhibition.

freehand: recent Australian drawing opened in November in the Central Galleries and the ramp space, incorporating an exhibition by Richard Lewer in the Project Gallery and chalk drawings by Nick Selenitsch on the forecourt. Inspired by a recent revival of drawing, it presented a wide range of drawings by twenty-five Australian artists for whom drawing is fundamental—often a daily practice— or whose experiments extend our understanding of this enduring means of expression. Whether reflective or observational, loosely or obsessively rendered, conceptual or cathartic, the drawings revealed how contemporary artists have responded to the flexibility of a medium that adapts to other practices,

welcomes experiment and can be extended through technological means.

This exhibition was the core of Heide's 'Summer of Drawing', a program that also included *MIRKA, Drawings: The Heide Collection* and an exhibition of works on paper in the Tucker Galleries. *Joy Hester and Albert Tucker: Drawings 1938–1947* explored the points of connection, influence and divergence in the early practices of two significant Melbourne artists over the nine-year period they were together. Their drawings revealed shared interests in the psychological effects of war, surrealist idioms, and modernist poetry and literature.

The previous Tucker exhibition, *Pan In Armour: Albert Tucker's Bushrangers*, had surveyed the theme of bushranging as it captured the imagination of Albert Tucker during the 1950s and 1960s, showing his view of Ned as a 'revolutionary in an aborted revolution' rather than as the gangster bush larrikin of national folklore.

Exhibitions were greatly assisted by the work of Heide visitor services officer, Stacy Jewell, who provided cataloguing assistance for the Carol Jerrems' exhibition over a six-month period, PhD student Justine Grace, who undertook research and cataloguing for the *Images of Modern Evil* exhibition, research assistants Laetitia Prunetti and Cameron Wood for their work on *Joy Hester & Albert Tucker: Drawings 1938–1947*, and Mary Waters for her ongoing contribution to exhibition and collection registration.

4 *Affinities: The Heide Collection* (installation view)
Photograph: John Brash

5 Mirka Mora painting her mural on the sunroom
window of Heide I.
Photograph: John Gollings



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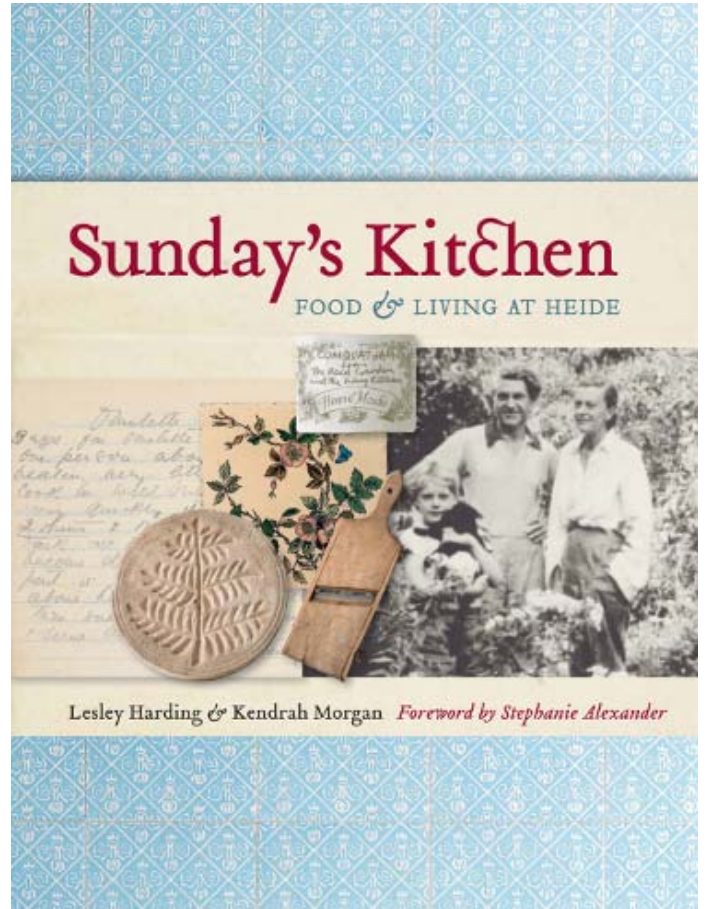
Exhibition	Exhibition Dates	Venue	Curator
Cubism & Australian Art	21 April 2009 – 8 April 2010	All of site	Lesley Harding and Sue Cramer
<i>Sunday's Kitchen: Food and Living at Heide</i>	16 March – 17 October 2010	Heide I	Lesley Harding and Kendrah Morgan
<i>Simryn Gill: Gathering</i>	22 April – 18 July 2010	Central Galleries	Touring MCA exhibition curated by Russell Storer; additional Heide components curated by Linda Michael
<i>Affinities: The Heide Collection</i>	17 April – 12 September 2010	Heide II	Linda Michael
<i>Pan in Armour: Albert Tucker's Bushrangers</i>	17 April – 12 September 2010	Heide III: Albert & Barbara Tucker Gallery	Lesley Harding
<i>Charlie Sofa: I wander</i>	17 April – 25 July 2010	Heide III: Kerry Gardner & Andrew Myer Project Gallery	Sue Cramer
<i>Up Close: Carol Jerrems with Larry Clark, Nan Goldin and William Yang</i>	18 July – 30 October 2009	Heide III: Central Galleries	Guest curator Natalie King (with the asst of Sue Cramer, Linda Michael and Linda Short)
<i>Dylan Martorell: Musique Povera</i>	18 July – 14 November 2009	Heide III: Kerry Gardner & Andrew Myer Project Gallery	Sue Cramer
<i>Mirka</i>	23 October 2010 – 1 May 2011	Heide I	Kendrah Morgan
<i>Shifting Continuities: David Thomas and Christoph Dahlhausen</i>	31 July – 31 October 2010	Heide III foyer, ramp and throughout public interior and exterior areas	Lesley Harding
<i>freehand: recent Australian drawing</i>	25 November 2010 – 6 March 2011	Heide III: Central Galleries, Ramp Space, Kerry Gardner & Andrew Myer Project Gallery, and forecourt	Linda Michael
<i>Joy Hester & Albert Tucker: Drawing 1938–1947</i>	18 September 2010 – 6 February 2011	Heide III: Central Galleries	Kendrah Morgan
<i>Drawings: The Heide Collection</i>	10 April 2010	Heide II	Linda Short

6 Catriona Brown in front of Carol Jerrems' *Vale Street* in *Up Close: Carol Jerrems with Larry Clark, Nan Goldin and William Yang* Photograph: Jim Lee

7 Del Kathryn Barton, installation view, *freehand: recent Australian drawing* Photograph: Jim Lee



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8 Albert Tucker
Wild Colonial Boy 4 1968
Heide Museum of Modern Art, Melbourne
On loan from Barbara Tucker 2000

9 Peter Booth
Untitled 1986
Heide Museum of Modern Art
Purchased 1986

10 Sunday's Kitchen: Food & Living at Heide



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11 Charlie Sofo
Photograph: Jim Lee

12 Shifting Continuities:
Christoph Dahlhausen & David Thomas
(installation view)

13 Shifting Continuities:
Christoph Dahlhausen & David Thomas
(installation view)

2010 Exhibition Lenders

Anna Schwartz Gallery, Melbourne	Newell Harry
Art Gallery of Ballarat	Matt Hinkley
Art Gallery of Western Australia, Perth	Joyce Hinterding
Robert Ashton	Hugo Michell Gallery, Adelaide
Steven Asquith	John Buckley Gallery, Melbourne
Australian War Memorial, Canberra	Locust Jones
Del Kathryn Barton	Karen Woodbury Gallery, Melbourne
Benalla Art Gallery	Peter Kelly
Peter Booth	Ken Jerrems and the estate of Lance Jerrems
Boutwell Draper Gallery, Sydney	Laverty Collection, Sydney
Breenspace, Sydney	Richard Lewer
The Estate of Mike Brown	Liverpool Street Gallery, Sydney
Eugene Carchesio	Robert MacPherson
The Chu and Tan Family Trust Collection	Macquarie University, Sydney
Private collection, Hobart	Ian Macrae
Pat Corrigan	Dylan Martorell
Greg Creek	Alasdair McLuckie
Domenico De Clario	eX de Medici
Lauraine Diggins Fine Art, Melbourne	Milani Gallery, Brisbane
Kim Donaldson	Mirta Mizza
Fehily Contemporary, Melbourne	MolinoCahill Lawyers, Melbourne
Barbara Flynn	Monash University Collection
Fondation Cartier pour l'art contemporain, Paris	Bill Moore
Marco Fusinato	Mirka Mora
Simryn Gill	Moroney Watson Collection
Paul Goldman	Murray White Room, Melbourne
Griffith University Art Collection	Museum of Contemporary Art, Sydney

2010 Exhibition Lenders (continued)

Collection of Dr Fred and Georgina Nagle, Perth	William Mora Galleries
National Gallery of Australia, Canberra	John Williams
National Gallery of Victoria, Melbourne	Gosia Wlodarczak
Catherine O'Donnell	Private collections, Sydney (5)
Private collections, Adelaide (2)	William Yang
The Proclaim Collection, Melbourne	Yuill Crowley Gallery
Private collections, Melbourne (4)	Brian Zulaikha and Janet Laurence
Warwick Reeder	
Rennie Ellis Photographic Archive, Melbourne	
Roslyn Oxley9 Gallery, Sydney	
Sarah Cottier Gallery, Sydney	
Barber/Cottier Collection, Sydney	
Sarah Scout Presents, Melbourne	
Nick Selenitsch	
Sandra Selig	
Charlie Sofo	
The James C. Sourris Collection	
State Library of Victoria, Melbourne	
Sutton Gallery, Melbourne	
Irene Sutton	
Tarlo and Graham, Melbourne	
Aida Tomescu	
Barbara Tucker - Private collection, Melbourne	
Peter Tyndall	
Uplands Gallery	
Utopian Slumps, Melbourne	



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4.2 PUBLIC PROGRAMS

Heide's exhibition program inspired the development and implementation of new public programs during 2010. These programs were well attended and positively received, an encouraging sign for activities and events that support and extend audiences' appreciation of Heide's exhibition program.

Over 2010 public programs delivered 391 programs to 5,230 attendees, of which 92 were paid events attracting 1,046 participants, including 35 feature events. A range of regular programs targeted the diverse audiences who visit Heide, focusing variously on exhibitions, collections and history, architecture and design, Sculpture Park, gardens and sustainability, and kids & families. Programs were delivered by volunteers, the Heide Director, curators, gardeners, artists and other guest speakers.

Heide is indebted to the expertise and dedication of the Heide volunteer guides for the extensive study and training undertaken to deliver an expected high standard of successful tours.

New initiatives included *Art in Focus*, in which a speaker provides an in-depth analysis of an artwork on display. It was developed in response to the renewed focus on the Heide Collection in Heide I and Heide II. Guest speakers in 2010 included Felicity St John Moore, on the iconic schoolgirl images of Charles Blackman; and Janine Burke on the drawings of Joy Hester

The inaugural *Heide Lecture Series – Hunter Gatherer: Starting and Maintaining a Collection* was a series of 13 lectures and workshops

by arts professionals on collecting art, art appreciation, investing, and caring for and displaying collections. The sessions included viewings of private collections, gallery and studio visits, and behind-the-scenes tours of public collections.

The feedback from participants was overwhelmingly positive.

The quality of the material presented by the staff and visiting contributors in the Hunter Gatherer program was beyond my expectations. As a collector of some 20 years I was beginning to lose confidence in what I was doing. The program reconfirmed my thinking, broadened my knowledge and revived my confidence. It introduced us to key galleries demystifying aspects of an industry many collectors only visit occasionally.

—Hunter Gatherer participant

Sunday Art Club was introduced as a new program to engage younger audiences with art. Activities and tours of exhibitions were held during the school term and explored the theme 'My Place: Living in the Landscape'. Art workshops were designed to develop practical skills in a variety of mediums and provide tools for understanding modern and contemporary art.

Special events featured throughout the year. In conjunction with the Melbourne Food and Wine Festival and Grossi Florintino, Heide hosted *Dining Recollections at Grossi Florentino*, an evening of fine wine and food in the Mural Room at Grossi Florentino, with speakers Kenneth W Park, who spoke on the Napier Waller murals and Florentino's history, and Heide curators Lesley Harding and Kendrah

Morgan, who spoke about John and Sunday Reed's experiences of 'eating out' in Melbourne.

Heide was the host venue for Seven Thousand Oaks Festival of Art and Sustainability, which presented *Touch at a Distance*, a day of music, installations and soundwalks in the Heide Sculpture Park that focused on the importance of listening and its role in developing a more sustainable approach to our presence in the environment and community.

Domenico de Clario's performance *who says words with my mouth* was held in December on the occasion of the rare conjunction between the full moon and the summer solstice. Domenico de Clario played an all-night piano vigil, improvising on a keyboard between sunset and sunrise next to the Kitchen Garden, with seven lighted tents illuminating in the gardens.

Heide successfully linked exhibition-related special events with other festivals and institutions. These included *New Perspectives on Cubism and Australian Art*, a forum co-presented with the University of Melbourne to critically discuss Cubism & Australian Art. Speakers included associate professor Rex Butler, School of English, Media Studies & Art History, University of Queensland; Dr Ann Stephen, Senior Curator, University of Sydney Art Gallery & Art Collection; Dr Anthony White, Lecturer, School of Culture & Communication, University of Melbourne; and Heide curators Sue Cramer and Lesley Harding.

Behind the Lens: Up Close on Film was co-presented with the Melbourne

14 Domenico de Clario performing in Heide Gardens
21–22 December.

15 Fiona Hall speaking in front of her rockery garden

International Arts Festival and the Australian Centre for the Moving Image, screening two documentaries about photographers featured in the exhibition *Up Close*. Kathy Drayton's award-winning film *Girl In A Mirror: a Portrait of Carol Jerrems* (2005) offered a vibrant portrait of the counterculture of 1970s Sydney and Melbourne as seen through the eyes of Carol Jerrems, and Tony Ayres' film *Sadness* (1999) was a moving filmic adaptation of William Yang's acclaimed stage performance.

In 2010 an invigorating program of garden events continued, underpinned by Heide's commitment to sustainability. Heide gardeners and guest speakers presented talks and workshops to visitors on sustainability in Heide's gardens, the Heide I vegetable garden, seed saving, beekeeping, treating garden pests, bush foods and propagating hardwood cuttings.

In May Fiona Hall discussed her selection of plants for the garden near the entrance to Heide III, and the relevance of botany and natural history to her art.

4.3 EDUCATION

In a great year for Heide Education, a dynamic exhibition program fed into excursions, tours, workshops teacher professional development forums and school holiday programs. In total these programs attracted 4632 participants, 1600 more attendees than in 2009.

Highlights of the year included curators speaking about the planning, selection and installation of their exhibitions; practising artists (Mirka Mora, Masato Takasaka, Justin Andrews, Christine Godden, Gosia Wlodarczak, Charlie Sofo, Richard Lewer and Nick Selenitsch), speaking to teachers about their work; and guest speakers such as Christopher Heathcote, Anne Marsh and Richard Haese presenting their interpretations of contemporary art and approaches to art history.

School excursions to Heide this year included 2771 students from 110 schools attending 171 exhibition tours, and 608 students participating in workshops where they made their own artworks in response to Heide exhibitions. Accompanying these groups were 329 teachers. An additional 238 students visited Heide to view the Sculpture Park and gardens.

Funding was received from the Department of Education & Early Childhood Development to run activities during Children's and Education Weeks. 116 students participated in 'I spy with my Heide eye ...', where they explored the basic elements of art by looking at works in the Heide Collection, exhibitions, Sculpture Park and gardens, and worked with an artist to develop a collaborative artwork in response.

Heide's flagship education program *Inside the Museum*, triennially funded through the Strategic Partnerships Program with the Department of Education and Early Childhood Development, and devised to complement Unit 4: Outcome 3 of VCE Studio Arts, was presented again this year with 269 students and 30 teachers attending the program. A shorter version of the program was offered as an addition, leading to an increase in the overall number of students able to attend.

Students in the full-day program were provided with an overview of Heide's aims and objectives as a public art museum and information about other public and commercial gallery structures. Heide curators, collections and marketing staff spoke to the students about their professional roles and gave detailed tours of exhibitions and back-of-house areas. Conservation framer Louise Bradley led students on a practical task to mount and their own work of art.



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Programming for teacher professional development continued, with 8 events attended by 74 teachers. Programs included *Pan in Armour*, *The Thinking Curriculum*, *Photography*, *Heide Heydays* and *Drawing*.

“Your Cubism and Australian Art Educators’ Forum was a wonderful way to spend a day, not only networking with other teachers but to really get an appreciation of Heide and the set-up of exhibitions ... It was exciting to hear the young artists talk about their art and art making process. The painting activity was a fun way to end the day and rounded off what we would conclude overall as a perfect day out!”

—Donna and Olga, Art Teachers,
Box Hill SC

School holiday activities provided 455 young people with 24 programs throughout the year. Most programs ran at full capacity, with *I Wander with Charlie Sofo* being repeated due to popular demand. *Early Photo Processes* and *Upcycle Ur Wardrobe* were offered to broaden audiences to include teens. Mark Briggs from Cafe Vue showed eager children how to make the perfect cupcake and *Scared-out-of-your-life drawing* had SMEC full of snakes, crocodiles, lizards, turtles, frogs and children. Children milked a cow and made butter in *Milky-Moos* and a popular new program, *Free Range Art*, was devised for children aged 3 to 5 accompanied by a significant adult. *The Hatters Mad Tea Party*, *Frankencritters*, *Quirky Mirka Masks*, and *Mythmakers*, where children to made art with the assistance of dramaturges and puppeteers, were also very popular.

Thirteen Education resources were made available to teachers online, including education kits for *Cubism & Australian Art*, *Up Close* and *Albert Tucker* and information for a self-guided tour of *Heide: Sustainability at the Museum Trails*.

Heide Education was greatly supported by a team of twelve specialist Education Volunteers, who contributed 723 hours of assistance. Two internships were completed by Masters students in Business (Arts and Cultural Management, University of South Australia) and Museums and Collections (Australian National University). Interns assisted with the delivery of programs and produced education resources. Heide Education values and appreciates the Education Volunteers’ professionalism, commitment and dedication to the Museum.



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5. COMMERCIAL OPERATIONS

5.1 STORE

The Heide Store began 2010 trading as a complete retail space having been redesigned in November 2009. Acting as a fully operational Store, the year commenced profitably, with January sales above target by more than 31%. Unlike most retailers the results were achieved without a January Sale, but attributable to record visitation to Heide. This trend continued throughout the remainder of the year with sales achieved in excess of \$500,000. This is the first time that the Heide Store has exceeded annual revenue of \$224,000. This presented a 150% increase over the 2010 target. Profit was driven by maintaining strategies which focused on a minimum gross profit margin, increased focus on Heide Merchandise & Publications and the introduction of product under the \$29.95 threshold.

Heide Store sales were driven and impacted by the huge success of the exhibition program including *Cubism & Australian Art* and *Sunday's Kitchen: Food & Living at Heide*. These Heide publications dominated our book sales throughout the year. *Sunday's Kitchen* was in our top ten best sellers list throughout 2010, selling more than 1,300 copies on-site and thousands more at book sellers across Australia. Sales for *Sunday's Kitchen* accounted for 12% of total sales in the Heide Store. The critically acclaimed *Cubism & Australian Art* book was the second best seller in the Heide Store, delivering 9% of total retail sales and selling 950 copies.

The popularity of Heide Merchandise continued throughout 2010 with eleven of the top-twenty sellers coming from this category. Heide Publications and Merchandise accounted for 45% of total Store revenue achieving in excess of \$225,000, 20% more than the actual annual revenue target.

The product offering in the Heide Store is divided into four buying categories; Heide Publications, Heide Merchandise, External Publications and External Merchandise. These categories all exceeded expectations and contributed to total revenue. The breakdown is as follows:

Heide Publications	27%
Heide Merchandise	18%
External Publications	16%
External Merchandise	39%

Product highlights which drove the huge financial and product success of the Heide Store in 2010 include:

	Product	Qty
1	Heide Sunday's Kitchen	1,308
2	Heide Cubism & Aust. Art	965
3	Heide Mirka Vase II	205
4	Heide Up Close	408
5	Heide Tea Pot Set	147
6	Heart Garden by Janine Burke	659
7	Heide Mirka Card Pack	312
8	Heide Mirka Catalogue	501
9	Photo Mobile	425
10	Heide Mirka Vase III	47

These results confirm the current strategic direction for the Store will continue.



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5.2 VISITOR SERVICES

Visitor Services administers five of the Museum's commercial operations revenue streams: Heide Membership, Admissions, Education & Public Programs ticketing, Event Hire and Heide Store. Visitor Services also manages safety, security in the public environment, and collaborates with other departments of the Museum in event management.

In 2010, the Museum saw record numbers of visitors on site and in October, Heide experienced its busiest day ever with more than 776 ticketed attendances. With steady numbers across the year, the Visitor Services team was operating continuously at peak capacity. In 2010, visitor feedback continued to demonstrate high levels of satisfaction with the team of paid and volunteer Visitor Services staff. As the main point of contact with visitors and Heide Members, Visitor Services is committed to maintaining the highest professional standards which meet or exceed the expectations of all who interact with the Museum.

Three successful recruitment campaigns were completed during 2010. The first recruited four new Casual Visitor Services Officers in March from the existing volunteer pool. The second and third campaigns sought new Visitor Services Volunteers, with 18 and 27 new recruits joining the team respectively in June and November. This brought the total number of Visitor Services Volunteers to 116, collectively contributing to an outstanding 5,980 hours of service to the Museum.

5.3 MEMBERSHIP

In 2010, Heide Membership underwent a year of consolidation as the Museum operated for the first time since 2007 at full capacity across the galleries and cafe. Heide Membership maintained a stable level of growth and retention across the year, including a successful incentive campaign with Heide Partner; Sofitel Melbourne. The campaign ran throughout March and April and offered new and renewing Members the chance to win a weekend at the Sofitel Melbourne. This campaign yielded 137 subscriptions. 2010 also saw the introduction of more benefits for Members including receiving a 5% discount at Cafe Vue at Heide.

Heide Membership raised \$47,700 (5% below target) and 735 subscription sales (1% above target).

At 31 December 2010 there were:

- 877 active subscriptions; and
- 1162 Members (i.e. multiple cardholders in relevant categories).

5.4 CAFÉ VUE AT HEIDE

The new Café Vue at Heide continued its initial opening success throughout 2010 and the first trading year of operations. The café helped attract new visitors to the Museum and provided a welcome dining experience for current visitors. More than 70,000 lunches were served at the new café in 2010 and the average lunch covers served each week equaled 1,300.

A focus on building the Vue de monde Events at Heide business also saw great success, delivering events throughout the year and busy summer for external clients and internal Heide events such as Openings, Public Programs and Education.



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6. COLLECTION

In early 2010 Heide I was re-opened to the public as a venue for exhibitions drawn from the Museum's Collection and Archive, and as a point of introduction to Heide's history. The historic house was extensively refurbished inside and out to better reflect the tastes of John and Sunday Reed, and to provide an improved exhibition environment. Heide II was re-launched concurrently as the designated venue for the presentation of a series of ongoing exhibitions from the Collection.

As a result, Collection activities during 2010 were primarily orientated towards the presentation of the following Collection-based exhibitions in Heide I and II: Sunday's Kitchen: Food & Living at Heide (HI); Mirka (HI); Affinities: the Heide Collection (HII); and Drawings: the Heide Collection (HII).

Numerous works from the Collection, many of which had not previously been exhibited, were professionally conserved for inclusion in these exhibitions. New research was undertaken which uncovered invaluable information about particular works including provenance and accurate dates of production.

Works from the Heide Collection were also featured in the exhibitions presented in the Albert and Barbara Tucker Gallery during 2010: Pan in Armour: Albert Tucker's Bushrangers and Joy Hester & Albert Tucker: Drawings 1938–1947.

Collection works by Charles Blackman and Raafat Ishak were made available to TarraWarra Museum of Art and The Ian Potter Museum of Art, The University of Melbourne, for their respective exhibitions:

Child Like: Selected Works from the TWMA Collection and Raafat Ishak: Work in Progress #6.

The Museum purchased four works by contemporary artists Domenico de Clario, Kim Donaldson and Melinda Harper, all of whom were included in important exhibitions and performances at Heide during 2010. Heide also purchased 22 prints by Kenneth Jack with funds from the Marjorie Kingston Bequest of 2010.

On the occasion of the successful exhibition Up Close: Carol Jerrems, Larry Clark, Nan Goldin and William Yang, Heide, with the permission of Ken Jerrems and the Estate of Lance Jerrems [Linda Sly], published an editioned portfolio of Carol Jerrems's photographs, one of which was accessioned into the Collection.

There were many generous donations to the Collection during 2010. Works by George Baldessin, Paul Boston, Jeff Makin, Mirka Mora, Les Kossatz, Gareth Sansom and Kathy Temin strengthened the representation of these important artists in the Collection. Other donations enabled the inclusion of works by previously unrepresented artists, including Penelope Davis, Michael Nelson Jagamara, Yvonne Kendall, Peter Walsh, Kim Westcott and Judith Wright.

The re-housing and cataloguing of material in the Heide Archive continued during 2010. The Archive expanded through significant and generous donations of material, most notably a large gift of Danila Vassilieff papers.

20 Les Kossatz
Guardian of the Last Piece 2003 (detail)
aluminium
600.4 × 190 × 30 cm
Gift of Les Kossatz 2010

21 Paul Boston
Torso (Skyscape) 2001
oil on linen
144.5 × 106.5 cm
Gift of Rae Rothfield 2010



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6.1 ACQUISITIONS

2010.1

Paul Boston
Torso (Skyscape) 2001
oil on linen
144.5 × 106.5 cm
Gift of Rae Rothfield 2010

2010.2

Paul Boston
Painting with Orange + Blue 1999
oil on linen
122 × 137 cm
Gift of Rae Rothfield 2010

2010.3

Kathy Temin
Speechless 1998
felt on stretcher with Perspex bowl
47 × 47 × 24 cm
Gift of Lion Capital P/L 2010

2010.4

George Baldessin
Ancestors of P.H.B. 1964
etching and aquatint
30 × 22.4 cm
Gift of Tess Edwards 2010

2010.5

George Baldessin
Viridiana I 1964
etching and aquatint
30.3 × 45 cm
Gift of Tess Edwards 2010

2010.6

George Baldessin
Person Alone 1964
etching and aquatint
30.1 × 18 cm
Gift of Tess Edwards 2010

2010.7

George Baldessin
Figures in Enclosure 1965
etching and aquatint
30 × 27.1 cm
Gift of Tess Edwards 2010

2010.8

George Baldessin
Portrait 1965
etching and aquatint
34.1 × 33.5 cm
Gift of Tess Edwards 2010

2010.9

George Baldessin
Echo 1965
etching and aquatint
30.1 × 31 cm
Gift of Tess Edwards 2010

2010.10

George Baldessin
Personage and Window 1965
etching and aquatint
30.1 × 30.2 cm
Gift of Tess Edwards 2010

2010.11

George Baldessin
Doors 1966
etching, aquatint and coloured stencil
52.9 × 37.8 cm
Gift of Tess Edwards 2010

2010.12

George Baldessin
The Mirror 1967
etching and aquatint
50 × 34 cm
Gift of Tess Edwards 2010

2010.13

George Baldessin
Personage and Chair 1968
etching and aquatint
56.8 × 50.4 cm
Gift of Tess Edwards 2010

2010.14

George Baldessin
Performer (White Personage) 1968
etching, aquatint, colour stencil and embossing
50 × 43.3 cm
Gift of Tess Edwards 2010

2010.15

George Baldessin
Window and Factory Smoke II 1970
etching and aquatint on 3 plates
50.5 × 76 cm
Gift of Tess Edwards 2010

2010.16

George Baldessin
City Monuments 1970
etching and aquatint
57.9 × 50.5 cm
Gift of Tess Edwards 2010

2010.17

George Baldessin
Untitled (Chimney and Factory Smoke) 1971
etching and aquatint
49.7 × 38.8 cm
Gift of Tess Edwards 2010

2010.18

George Baldessin
Seated Figure 1973
etching, aquatint and coloured stencil
56 × 50.3 cm
Gift of Tess Edwards 2010

22 Gareth Sansom
Religiosity à la mode 2000
oil and enamel on canvas
183.5 × 213.5 cm
Gift of Lion Capital P/L 2010

23 Kathy Temin
Indoor Monument: Hard Dis-play 1995
synthetic polymer paint on wood
37 × 600 × 600 cm (installation variable)
Gift of Kathy Temin 2010



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2010.19

George Baldessin
Entrances and Discards 1974
etching, aquatint and coloured stencil
49.8 × 68.1 cm
Gift of Tess Edwards 2010

2010.20

George Baldessin
(Untitled – figure with curved base) 1976
etching and aquatint in 2 states
47.8 × 37.5 cm
Gift of Tess Edwards 2010

2010.21

Paul Boston
Ball 5 1985
ink and charcoal on paper
108 × 75 cm
Gift of Peter Jopling QC 2010

2010.22

Les Kossatz
Guardian of the Last Piece 2003
aluminium
600.4 × 190 × 30 cm
Gift of Les Kossatz 2010

2010.23

Judith Wright
Relative Conversations 2006
synthetic polymer paint on paper
200 × 200 cm
Gift of Judith Wright 2010

2010.24

Judith Wright
Relative Conversations 2006
synthetic polymer paint on paper
200 × 200 cm
Gift of Judith Wright 2010

2010.25

Judith Wright
Relative Conversations 2006
synthetic polymer paint on paper
200 × 200 cm
Gift of Judith Wright 2010

2010.26

Judith Wright
In Praise of Darkness: Conversations with the Father 2006
single channel video
Gift of Judith Wright 2010

2010.27

Kathy Temin
Indoor Monument: Hard Dis-play 1995
synthetic polymer paint on wood
37 × 600 × 600 cm (installation variable)
Gift of Kathy Temin 2010

2010.28

Yvonne Kendall
Underfelt Donkey 2001
bronze
35.0 × 39.0 × 64.0 cm
Gift of Bill Nuttall and Annette Reeves 2010

2010.29

Kevin Connor
Studio Now and Past 2006
etching
80 × 60 cm
Gift of Tom Lowenstein, Evan Lowenstein and Adam Micmacher 2010

24 Domenico de Clario
l (le lapin agile – snow coming) 2008/09
oil and synthetic polymer paint on linen
206 × 206 cm
Purchase 2010, with funds from the Heide Foundation, with special thanks to Kingsley Munday, Bill Forrest, Valma Angliss and Neil Everist

2010.30

Penelope Davis
Viewmaster 2003
photograph
76 × 102 cm
Gift of Tom Lowenstein, Evan Lowenstein
and Adam Micmacher 2010

2010.31

Jeff Makin
Belgrave 2004
oil on canvas
61 × 26 cm
Gift of Tom Lowenstein, Evan Lowenstein
and Adam Micmacher 2010

2010.32

Michael Nelson Jagamara
Desert Storm 2002
synthetic polymer paint in linen
180 × 90 cm
Gift of Tom Lowenstein, Evan Lowenstein
and Adam Micmacher 2010

2010.33

Peter Walsh
My Gang 2005
oil on linen
122 × 152 cm
Gift of Tom Lowenstein, Evan Lowenstein
and Adam Micmacher 2010

2010.34

Kim Westcott
Re-echo 2000
etching
106 × 80 cm
Gift of Tom Lowenstein, Evan Lowenstein
and Adam Micmacher 2010

2010.35

Gareth Sansom
Religiosity á la mode 2000
oil and enamel on canvas
183.5 × 213.5 cm
Gift of Lion Capital P/L 2010

2010.36

Kenneth Jack
Newtown Park, Hobart 1953
wood engraving on paper
5.5 × 11.5 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.37

Kenneth Jack
Hotel Outbuildings, Berwick 1953
perspex engraving and mezzotint on paper
7.6 × 12.4 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.38

Kenneth Jack
The Woodcutters 1954
linocut on paper
36 × 54 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.39

Kenneth Jack
Town Hall, Talbot 1958
linocut on paper
27 × 37 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.40

Kenneth Jack
The Goulburn River 1960
lithograph on paper
42 × 60 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.41

Kenneth Jack
*Long Gully Near Bendigo, (Gold and Ghost
Towns of Victoria Series)* 1960
linocut on paper
20 × 27 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.42

Kenneth Jack
*Walhalla – The Band Stand (Gold and Ghost
Towns of Victoria Series)* 1960
linocut on paper
20 × 27 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.43

Kenneth Jack
Mt Gambier, S.A. 1961
colour lithograph on paper
42 × 60 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.44

Kenneth Jack
The Tower of Babel 1962
linocut on paper
52 × 34 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.45

Kenneth Jack
Billabong 1962/63
linocut on paper
34 × 52 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.46

Kenneth Jack
Paddle Steamer and Wool Barge, Murray River
1963
linocut on paper
52 × 34 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.47

Kenneth Jack
River Flats 1963
serigraph on paper
30 × 40 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.48

Kenneth Jack
Billabong with Sunken Paddle Steamer 1965
linocut, stencil, silkscreen on paper
59 × 59 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.49

Kenneth Jack
Cave Country 1965
serigraph on paper
24 × 38 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.50

Kenneth Jack
Sunset Over the Flinders Ranges 1965
stencil on paper
46 × 66 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.51

Kenneth Jack
Sprawling City 1965
mezzotint on paper
19 × 34 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.52

Kenneth Jack
Mootwingee 1966
linocut on paper
48 × 67 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.53

Kenneth Jack
*Seven Bridges Over the Maribynong –
No. 4 Bulla* 1959
linocut on paper
27 × 37 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.54

Kenneth Jack
Inland Town [Alice Springs] 1952
linocut on paper
36 × 55 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.55

Kenneth Jack
Grey St. Bridge, Brisbane 1952
linocut on paper
15 × 22 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.56

Kenneth Jack
The Woodcutters 1953
perspex engraving on paper
20 × 25 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.57

Kenneth Jack
The Drovers 1954
perspex engraving on paper
19 × 24 cm
Purchase with funds from the Marjorie
Kingston Bequest 2010

2010.58

Melinda Harper
Untitled (stoneware vase) 2007
ceramic, oil on wood and oil paint
12.7 × 8.6 × 8.3 cm
Purchase 2010

2010.59

Melinda Harper
Untitled (ceramic 21 – kookaburra) 2005
16 × 8 × 7.5 cm
Purchase 2010

2010.60

Domenico de Clario
l (le lapin agile – snow coming)
2008/09
oil and synthetic polymer paint on linen
206 × 206 cm
Purchase 2010, with funds from the Heide Foundation, with special thanks to Kingsley Munday, Bill Forrest, Valma Angliss and Neil Everist

2010.61

Kim Donaldson
The Naturalist of La Plata 2006
synthetic polymer paint on canvas
84 × 120.5 cm
Purchase 2010

2010.62

Kim Donaldson
Study of Heide I Library (View from Overhead)
2006
pencil on Magnani paper
21 × 30 cm
Gift of Kim Donaldson

2010.63

Mirka Mora
Untitled (linked figures) 1971
mixed media
75.5 × 85.5 cm
Gift of Marzena Walicka 2010

2010.64

Mirka Mora
Untitled (figures and tree) 1971
mixed media
68.5 × 38 cm
Gift of Marzena Walicka 2010

2010.65

Mirka Mora and Tom Sanders
Untitled (plate) 1967
glazed earthenware
19.5 cm diameter
Gift of Marzena Walicka 2010

2010.66

Mirka Mora
Untitled (Lady Godiva) 1971
mixed media
30 × 41 cm
Gift of Edith Birnberg-White 2010

2010.67

Mirka Mora
Untitled (Egyptian Mermaid) 1971
mixed media
29 × 43 cm
Gift of Edith Birnberg-White 2010

2010.68

Carol Jerrems
Carol Jerrems / Five Photographs / Portfolio 2010 2010
Marilyn Monroe 1972; *Boys* 1973; *Caroline Slade* 1973; *Ron Johnson* 1974; *Mirror with a memory: Motel Room* 1977
4 × gelatin silver photographs printed on Ilford double-weight, fibre-based paper;
1 × Type C photograph printed on Kodak Ultra Endura
50.5 × 40.6 cm (sheet) each
Published by Heide Museum of Modern Art, Melbourne, with the permission of Ken Jerrems and the Estate of Lance Jerrems [Linda Sly]

6.2 OUTGOING LOANS

The Ian Potter Museum of Art, The University of Melbourne
Raafat Ishak: Work in Progress #6
22 May – 1 August 2010

1980.17

Raafat Ishak
Superficial Tears for White Trash 2005
synthetic polymer paint on composition board
2 parts: 75.0 × 9.0 × 24.5 cm;
65.0 × 35.5 × 24.5 cm
Heide Museum of Modern Art, Melbourne
Purchased through the Heide Foundation
2006

TarraWarra Museum of Art
Child Like: Selected Works from the TWMA Collection
21 August – 21 November 2010

1980.17

Charles Blackman
The Shoe c.1957
oil on composition board
91 × 122 cm
Heide Museum of Modern Art, Melbourne
Purchased from John and Sunday Reed
1980



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7. FACILITIES

7.1 MAINTENANCE

Heide is a complex site requiring full-time facilities maintenance. Throughout 2010 the Museum's mechanical systems continued to provide reliable and consistent environmental conditions. Like all museums, Heide's climate control systems require constant monitoring, and the Museum is taking a keen interest in the evolving international discussion about the potential benefits of widening the acceptable bandwidth for humidity that may reduce energy consumption and stress-related wear on climate control systems. As energy costs rapidly increase Heide is constantly refining its heating and cooling services to meet its long-term commitment to operational, financial and environmental sustainability.

In 2010 the fully operational café significantly increased the facilities maintenance and essential services requirements of the Museum, and, the café has met Heide management's expectation of an excellent public amenity.

Funding provided by the Victorian Government, through Arts Victoria and the Cultural Assets Maintenance Fund enabled Heide to schedule much-needed restoration work to the Mount Gambier limestone structure of Heide II. Meticulous stone repairs are required and will commence in February 2011. Additionally, essential repairs to the roof of the Sidney Myer Education Centre have been scheduled. LED lighting is being implemented to the Museum's public areas and amenities with outstanding results in reduced energy consumption.

Additional improvements to the Heide café include two ceiling mounted air-conditioning units to be used during Melbourne summer heat waves, and an all-weather enclosure to the pergola improve the comfort of café patrons.



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7.2 GARDENS

The Millennium Drought has broken. The weather patterns have reversed from El Niño to La Niña. Record rains have certainly helped Heide's gardens to flourish, but they have also caused much damage to pathways that require ongoing repair for public safety. The Sculpture Park has experienced minor flooding. For the first time in many years, Heide II's Kitchen Garden was partially inundated with flood water in mid-summer. Water restrictions were eased from Stage 3A to 3 in April, and from Stage 3 to Stage 2 in September, enabling essential hand-watering and an increase in automatic irrigation hours.

Several major garden projects were undertaken in 2010: the restoration of the Heide II Kitchen Garden, North Walk & Rose Walk; sustainable landscaping of the area adjacent to the Tucker Gallery window; installation of the third Artist's Garden – the Mari Funaki Memorial Grove; Federation Way car-park spoon drain and an upgrade to the Heide Staff Amenity Area. Many new indigenous plantings occupy locations on the property including the Helen MacPherson Smith Garden adjacent to the Sidney Myer Education Centre, the Wild Garden, and the upper car-park entrance and exit. The previous year's projects have also been consolidated, particularly the Heide I Vegetable Garden Redevelopment, with the addition – through the agency of Café Vue at Heide – of part-time gardeners to service the Heide I vegetable garden & orchards, providing produce for the café's garden-to-plate ambitions.

Heide garden staff continue to deliver popular public programs and bespoke tours for special interest groups, while also maintaining Sustainable Gardening Australia accreditation. Our partnership with Conservation Volunteers Australia was temporarily halted in September, due to non-renewal of their national contract with their associated job broking network.

Recovery Tree Services' arboreal work and Programmed Property Services' mowing of the Sculpture Park continue to improve and maintain Heide's valuable assets.

In 2010 Heide Gardens received significant financial support from the Marjory Kingston Bequest. This three-year funding commitment will underwrite the employment and professional development of a young horticulturalist and gardener.

8. COMMUNICATIONS & MARKETING

In 2010, the reopening of Heide I to the public, the dedication of Heide II to the presentation of the Collection, a strong line-up of exhibitions and related programs coupled with an increased marketing presence in mainstream media and a full complement of operational services including the Café and Heide Store, provided new directions and opportunities to attract visitors to Heide and this was reflected in the increase of audience numbers to the site.

Marketing and Communications continued to raise the profile of the museum, increasing reach into the broader community and within the arts engaged audience segments. Each campaign included single or multiple executions of the following components:

Advertising

Signage

Distribution & direct marketing

Printed collateral

Publicity/media

Events

Social/Online/website

Electronic Direct Marketing

Heide attracts a diverse range of audiences across age, socio-economic, geographic and psychographic profiles. In an attempt to target these audiences, the marketing campaigns were segmented accordingly, using advertising and publicity to raise awareness of the museum offerings. In 2010, exhibition campaigns were focused on encouraging visitation primarily amongst Victorians and secondarily within interstate and international segments.

The summer exhibition *Cubism & Australian Art* in Heide III continued until April and attracted strong media support. This was followed by *Simryn Gill: Gathering and Up Close: Carol Jerrems with Larry Clark, Nan Goldin and William Yang* – this exhibition in particular captured a huge amount of media coverage and resulted in the largest attendance numbers in Heide's history. In March Heide I reopened to the public with the exhibition, *Sunday's Kitchen: Food & Living at Heide*. The exhibition captured the interest of the *Age's* A2 Editor Sally Heath; who started weekly coverage in which she cooked every recipe in the book and wrote about it over a three-month period.

Media partnerships help to generate awareness and encourage visitation; 774 ABC Melbourne joined as Exhibition Media Supporter extending the advertising campaign to banners, posters, radio airtime and podcasts for *Up Close*. JC Decaux continued their support of Heide as Exhibition Support Sponsor enabling the advertising campaign for *Up Close* and *freehand* to reach audiences in the Melbourne CBD on the highly visible and sought after CityLight panels at tram and bus stops. Heide also partnered with



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the City of Manningham to advertise in Destination Melbourne's *Autumn Official Visitor's Guide* (OVG). Over 200,000 copies of the OVG are printed and distributed to Visitor Centres across Victoria and is the main tourist publication produced.

In September, Heide entered the world of social media with the launch of Facebook and Twitter accounts, allowing us to communicate within new and existing audiences in a cost-effective way. The sites quickly attracted hundreds of followers and the numbers continue to increase.

Publicity driven marketing campaigns were staged for exhibitions held in other areas of the Museum, including *Charlie Sofo: I wander*; *Affinities: The Heide Collection* and *Pan in Armour: Albert Tucker's Bushrangers*;

Advertising and publicity campaigns were also developed to support Heide Gardens, Public Programs, Collection, Heide Store, Café Vue at Heide and Heide Membership. Corporate marketing campaigns consisted of profiling Heide staff and recruitment, development of corporate materials and release of the biannual publication *Heide Magazine*.

Media coverage remains one of the most effective and efficient tools in Heide's marketing mix for attracting new and existing audiences. Highlights for coverage in 2010 included:

Print

Art World; *Art & Australia*; *Artlink*; *Art Monthly*; *Landscape Architecture*; *Beat Magazine*; *InPress*; *Qantas Magazine*; *Vogue Australia*; *Belle Magazine*; *Inside out*; *Gourmet Traveller*; *Sydney Morning Herald*; *Canberra Times*; *The West Australian*; *The Mercury* (Tasmania) and regular, extensive coverage in *The Age*, *The Australian*, *Australian Financial Review*, *Herald Sun*; *Melbourne Weekly* and *Manningham Leader*.

Television

Stories featured on ABC TV *Art Nation*; ABC TV *7.30 Report*; ABC TV *Lateline*; Channel 9 programmes and Channel 31.

Radio

Interviews on ABC Radio National; 774 ABC Melbourne; MMM; SBS Radio; PBS Radio; Joy FM and regular segments on 3RRR and 3MBS.

Online

Interviews, listings and reviews on an ever-growing number of art and design local, national and international websites and blogs.

A new site map/ visitor's guide was designed and printed in 2010. This guide provides visitors with greater ease in navigating the Heide site and can also be used as a self-guided tour of the Sculpture Park.

Market research remains key in understanding existing and potential visitors to Heide and in 2010 both Quantitative and Qualitative research was undertaken. Throughout 2010, audience research was collected via surveys, postcode data collection, purchasing statistics and in-depth interviews and focus groups.

In February, Heide joined a Newspoll Omnibus questionnaire to determine benchmark figures for awareness and visitation levels amongst all Victorians. The results indicated that 37% were aware of Heide and of this number, 55% have visited.

With the Newspoll benchmark figures, we could then explore gathering more in-depth data with Visitor Monitors. The key objective of the Visitor Monitors is to understand the Heide experience – how visitors find out about the exhibitions, who they visit with and what activities they engaged with whilst on-site to determine reactions to specific exhibitions and facilities, measure overall satisfaction and provide a demographic profile of audiences. They were developed to gather information on gallery audiences, their demographic profile, frequency of visitation, actions, satisfaction levels and their methods for information gathering. There were two Visitor Monitors conducted in March and July to coincide with the Central Galleries exhibitions; *Cubism & Australian Art* and *Up Close*. This research indicated that Heide is a social environment with the large majority of visitors attending with a Friend or Spouse. Demographics changed according to the appeal of the exhibitions with *Cubism* attracting an older audience

when compared to *Up Close*. 60% of visitors to Heide in July were first time visitors, with 41% of visitors attending the café and 40% patronising the Heide Store.

In April, Heide undertook a qualitative research project to understand and explore the motivations and barriers to attendance, determine perceptions of the Heide brand among the community and identify key messages, materials and programs likely to build the profile and patronage among new audiences. Key insights from the research indicated how important it was to create an effective multifaceted campaign to generate noise and buzz about a specific exhibition; assessability, facilities and atmosphere are all elements that contribute to the decision making process for attendance; and that Heide is a destination in itself – it is one of 'Melbourne's best kept secrets'. These key insights were used to develop the successful marketing campaigns for the year.

This year saw the appointment of Janet Wells as Marketing & Communications Manager in April and with the departure of Jade Enge, Marketing & Communications Coordinator, Nicole Kenning was appointed to this position in November.



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9. GRAPHIC DESIGN

In 2010, the Heide graphic design function and requirements were brought in-house after a very successful eight year partnership with leading graphic design agency Design by Pidgeon. In March Liz Cox joined the museum as Heide Graphic Designer.

The design requirements are varied and extensive and graphic design performs a multitude of services whilst solving the visual communication challenges of the Museum. Graphic design at Heide undertakes delivery of specific elements including:

- Publications
- Corporate Identity/Branding
- Advertisements
- Billboards
- Brochures
- Magazine
- Website
- Way-finding signage
- Exhibition wall texts
- Heide Store product design

In 2010, four exhibition catalogues were completed in-house; *Joy Hester & Albert Tucker Drawings 1938-1947*, *Shifting Continuities*, *freehand: recent Australian drawing* and *Mirka*. In addition to this, another two exhibition brochures were developed for *Charlie Sofo: I Wander* and *Dylan Martorell: Musique Povera*. *Sunday's Kitchen: Food & Living at Heide* and *Up Close Carol Jerrems with Larry Clark, Nan Goldin and William Yang* books were co-published with The Miegunyah Press an imprint of Melbourne University Publishing and Schwartz City respectively. Exhibition catalogue *Pan in Armour Albert Tucker's Bushrangers* and the *Simryn Gill: Garden* book were designed externally.

Graphic design also delivered eleven exhibition advertising campaigns, four quarterly Heide Calendars, two bi-annual Heide Magazines and Education Term Brochures, in addition to campaigns for Heide Foundation, Heide Store, Heide Members and the 2009 Annual Report.



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10. DEVELOPMENT

In 2010, the Development team sought financial support from a diverse range of organisations including Government, philanthropic and corporate sectors. This wider base of funding enabled us to re-open Heide I to the public in line with normal Museum opening hours, deliver our expanded exhibition program and enabled the continued growth of the Heide Collection.

Despite the ongoing difficult financial and economic climate affecting the not-for-profit sector, Heide Development exceeded its overall financial target in 2010 and targets attributed to gifts of artworks

This year also saw Nick Hays, Development Manager leave Heide in December. Ben Lee was appointed Development Coordinator and commenced the position in November.

10.1 HEIDE FOUNDATION

The Heide Foundation relies upon the generous support of its donors who, via donations, annual pledges and bequests, contribute to the overall success of the Museum. Significant donations in 2010 were received from Mark and Hyeon-Joo Newman, the Marjorie Kingston Charitable Trust, and the Norman, Mavis & Graeme Waters Perpetual Charitable Trust.

2010 also welcomed a renewed focus on fundraising for art with a successful end-of-year tax campaign designed to support the exhibition program and the Heide Foundation Dinner.

Grants

In 2010, Heide expended the majority of the Ian Potter Foundation grant which provided essential support in the reopening of Heide I. The opening coincided with the launch of the highly popular and successful exhibition *Sunday's Kitchen: Food & Living at Heide*. This ambitious project would not have been possible without the generous support of the Ian Potter Foundation.

Other significant donations came from the Besen Family Foundation to ensure Heide could secure the Nan Goldin work *Ballad of Sexual Dependency* from the Cartier Foundation in Paris which formed an important part of the *Up Close – Carol Jerrems with Larry Clark, Nan Goldin and William Yang* exhibition.

Campaigns

The 2010 End of Year Tax giving campaign was the most successful to date with an increase of 76% on the previous year. The campaign raised much-needed funds to deliver the Heide Summer of Drawing exhibitions including *freehand: recent Australian drawing, Joy Hester & Albert Tucker Drawings 1938–47, Mirka*, and *Drawings: The Heide Collection*.

Foundation Dinner

November 2010 saw the return of the annual Heide Foundation dinner. Held in the Central Galleries and hosted by Julia Zemiro, the event on Saturday 20 November was attended by more than 100 guests. They were entertained throughout the evening by Ms Zemiro, *Vue de monde's* Shannon Bennett and Yering Station's Chief Wine Maker, Willy Lunn.

Guests were welcomed at the Tony and Cathy Hancie Sculpture Plaza with cocktails, canapés and a string quartet from Chamber Music Australia. Julia entertained guests who enjoyed a four course menu designed by Shannon Bennett and matched with reserve wines from Yering Station in the surrounds of the spectacularly decorated gallery space.

Dinner was followed by a live auction with items generously donated by Stephanie Alexander Kitchen Garden Foundation, Susan Cohn, John Gollings, the Jerrem's Estate, Bea Maddock, Kathy Temin, Sofitel Melbourne on Collins, Space Furniture, TSAR Rugs, *Vue de monde*, and Yering Station. With the support of our Foundation members, our partners and artists who generously donated to the auction, the Heide Foundation dinner raised \$90,000.



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Heide Foundation Collectors’ Group

Following an exclusive cocktail event at The Australian Club as part of *Heide Comes to Town*, the Collectors’ Group raised sufficient funds to purchase Domenico de Clario’s *l (le lapin agile – snow coming)* which is an important part of growing contemporary Collection at Heide.

We would like to take this opportunity to thank all the members of the Heide Foundation for their continued and generous support in 2010.

Heide Foundation is based on cumulative giving and donors are publicly acknowledged as follows:

Life Benefactor	giving from \$500,000
Benefactor	giving from \$100,000
Principal Donor	giving from \$20,000
Donor	giving from \$5,000
Supporter	giving from \$1,500

Heide Foundation donors (listed alphabetically)

Life Benefactor

- Kate Bêchet
- Tony & Cathie Hancy
- Craig & Connie Kimberley
- Mark & Hyeon-Joo Newman
- Victor Smorgon AC & Loti Smorgon AO
- Barbara Tucker
- The Yulgilbar Foundation

Benefactor

- Tess Edwards
- William J Forrest AM
- Lindsay Fox AC & Paula Fox
- Kerry Gardner & Andrew Myer
- Georges Mora Memorial Fund
- Diana Gibson AO
- Helen Macpherson Smith Trust
- The Ian Potter Foundation
- James Kenney
- Dr Tom Quirk & Sue Quirk
- Andrew Rogers
- Sidney Myer Fund
- Truby & Florence Williams Trust, ANZ Trustees

Principal Donor

- Robert O Albert AO & Elizabeth Albert
- Rick Amor
- Arthur A Thomas Trust, Equity Trustees
- Max & Lorraine Beck
- Besen Family Foundation
- Norman & Pauline Bloom
- Dean Bowen
- Bill Bowness
- Yvonne Boyd
- Janet Burchill & Jennifer McCamley
- Stephen & Jenny Charles
- Joan Clemenger & Peter Clemenger AM

- Christine & John Collingwood
- James & Rachel Colquhoun
- Sir James Cruthers AO
- Helen Dick
- Lauraine Diggins
- John Downer AM & Rose Downer
- Diana Fletcher
- Neilma Gatner
- Graeme Sturgeon Trust
- Richard & Isabella Green
- Lesley Griffin
- Melinda Harper
- John T Reid Charitable Trusts
- Andrea & Richard King
- Inge King
- Les Kossatz
- Elizabeth H Loftus
- Tom & Sylvia Lowenstein
- Corbett & Yueji Lyon
- Marjorie M Kingston Charitable Trust
- The Myer Foundation
- Norman, Mavis and Graeme Waters
- Perpetual Charitable Trust
- William Nuttall & Annette Reeves
- Parncutt Family Foundation
- Sophia Pavlovski-Ross & Philip Ross
- Tom Pearce
- Pearson Australia Group
- Stuart Purves AM
- John Rickard
- Dick Roennfeldt
- Rae Rothfield
- Trevor & Christine Tappenden
- Kathy Temin
- Chris & Cheryl Thomas
- Robyn & Gary Upfield
- Ralph Ward-Ambler AM & Barbara Ward-Ambler
- Robyn & Ross Wilson
- Judith Wright

32 Yering Station wines
Photograph: Jim Lee

Donor

Peter & Sam Andersen
 Charles Blackman
 Peter D Cole
 DAMP Artists' Collective
 Jennifer Darbyshire & David Walker
 Andy Dinan
 Ray Finkelstein & Leonie Thompson
 Dr Alison Inglis
 Ivor Ronald Evans Foundation, Equity
 Trustees
 Peter Jopling QC
 Lily Kahan
 Julie Kantor
 Michael & Sylvia Kantor
 Gordon Kennett
 McLeod Family Foundation
 Adam Micmacher
 Diana Morgan
 Kingsley Munday
 Dame Elisabeth Murdoch AC DBE
 Allan Myers AO QC & Maria Myers AO
 Nellie Castan Gallery
 Dr Richard Reed & Vivienne Reed
 Ralph & Ruth Renard
 Robert Salzer Foundation
 Margaret S Ross AM & Dr Ian C Ross
 Sherman Foundation
 Penelope Seidler
 Irene Sutton
 Velik Charitable Trust
 David & Margaret Walsh
 Janet Whiting & Phil Lukies
 The William Angliss (Victoria)
 Charitable Fund
 Lyn Williams AM
 Dr Leith Woodgate
 Barbara Yuncken
 Anonymous (2)

Supporter

Stephanie Alexander
 John Anagnostou (& Anne Ward)
 Inara Bush & Alice Bailey
 Jim & Libby Cousins
 Hugh Ord Evans
 Louis W Partos
 Sarah Patterson
 Liane Rossler & Sam Marshall
 Carol & Alan Schwartz
 Robert Sinclair
 Anonymous (2)

Heide Fellow

Heide Fellows are honorary appointments issued by the Heide Board of Directors for long-term service and contribution to the Museum. In November, Craig and Connie Kimberley were jointly awarded the 2010 Heide Fellowship, in recognition of their continued and ongoing support of Heide. After eight years on the Board Craig Kimberley stepped down to pursue new activities but remains firmly committed to securing Heide's financial and cultural future.

10.2 2010 PARTNERSHIPS

Heide Museum of Modern Art continues to operate with the generous assistance of Government and Corporate Partners.

Government Partnerships

Manningham City Council continued its support of Heide through an annual Service Agreement. This support enables the Museum to create and deliver ongoing, innovative and instructional public and education programs to the local and wider community.

**ARTS
VICTORIA**



**Sustainability
Fund** Managed by
Sustainability Victoria



Corporate Partnerships – update

Corporate partnerships continue to form an integral part of Heide's day-to-day operations. We partner with organisations that share Heide's passion, philosophy and desire to be innovative.

The Development Team continued to work with key corporate partners that have supported the Museum's activities, both financially and in-kind, for more than five years. We take this opportunity to thank all our partners for their generous support in 2010.

2010 Heide Partners



Heide Supporters



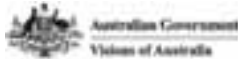
2010 Exhibition Supporters

Simryn Gill: Gathering

Exhibition Supporters



Government Supporter



*Exhibition organised and toured by the
Museum of Contemporary Art, Sydney*



Up Close: Carol Jerrems with Larry Clark, Nan Goldin and William Yang

The exhibition was generously supported by the Besen Family Foundation

Exhibition Supporters



freehand: recent Australian drawing

Exhibition Supporters



2010 Project Sponsors

Heide I



11. GOVERNANCE

Heide Park and Art Gallery (trading as Heide Museum of Modern Art) is a company limited by guarantee. It is a not-for-profit entity formed in 1981 for the purposes of operating and managing the assets of Heide, which were purchased by the State Government on behalf of the people of Victoria. Its objectives and purposes are outlined in its constitution and include acting as a Committee of Management under the Crown Lands Reserve Act 1978 (Vic) with respect to the property known as Heide II, Heide III and surrounding parks and gardens. The company owns, in its own right, the property known as Heide I.

Company Members as at 31 December 2010:

Helen Alter
Fiona Bennett
Janine Burke
Ken Cato
Stephen Charles
Joan Clemenger
Christine Collingwood
James Colquhoun
Patricia Cross
Jennifer Darbyshire
John Downer AM
Jeff Floyd
Kerry Gardner
Alison Inglis
Craig Kimberley
Julia King
Tom Lowenstein
Sarah McKay
Ian McRae
Bryce Menzies
Mark Newman
Dr Tom Quirk
Michael Roux
Ken Ryan
Deryk Stephens
Trevor Tappenden
David Walsh

11.1 BOARD

The Board of Heide Museum of Modern Art recognises the value of good corporate governance in ensuring the Museum's purpose. The Heide Board works to determine and apply the most appropriate governance practices to safeguard stakeholder interests, to optimise operational viability and provide sound asset management. The Heide Board is committed to protecting and enhancing Heide Museum of Modern Art and conducting the Museum's business ethically and in accordance with the highest standards of corporate governance. It views this cornerstone in managing the assets and operations as a fundamental part of its responsibility to government and the people of Victoria.

The Board's role is to provide leadership within a framework of prudent and effective controls, which enables risks to be assessed and managed. The Board, working with senior management, is responsible for Heide's overall business performance. The Board's ultimate responsibility is to approve the museum's goals and directions, strategic plans and performance targets. The Board ensures that appropriate policies, procedures and systems are in place to manage risk, optimise business performance and maintain high standards of ethical behaviour and legal compliance.

The Board has delegated the responsibility for Heide's operation and administration to the executive team led by the Director & CEO. The executive team is responsible for delivering the strategic direction and achieving the Board's goals.

The Heide Board meets for 5 Board Meetings per year and an additional 1 Strategic Planning Meeting.

The Board is responsible for strategic direction and control, and its governance functions. These include:

- Providing strategic direction and approving business strategies and objectives
- Approving policies for managing business risks, safety and occupational health, community and environmental matters
- Monitoring operational and financial position and performance
- Identifying principal risks and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks
- Ensuring that financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board
- Ensuring that government is informed of all material developments in relation to the company and Heide business
- Appointing and- where appropriate - removing the chief executive officer, approving other key executive appointments and planning for executive succession
- Overseeing and evaluating the performance of the chief executive officer and other senior executives
- Reviewing and approving executive remuneration.

Board Composition

The Heide Board is required to have no less than four Directors. The Minister for the Arts is entitled to appoint two Directors. At the end of 2010, there were 5 Company-appointed Directors. The Board considers relevant experience, diverse perspectives and complementary arts and museum knowledge and business skills when nominating and appointing new Directors. Details of each Director's skills and experience are set out in a latter section of this report.

Re-election

In accordance with the Company's constitution, Directors are subject to re-election by rotation at Annual General Meetings at least every three years, to a maximum of nine years.

Board Changes

In April 2010 Craig Kimberley resigned from the Board and in November 2010 Mark Newman resigned from the Board. Both made outstanding contributions to the Museum through generous financial support and in their leadership of the strategic direction of the Museum's commercial operations and investment portfolio.

Board Meetings

During 2010, the Heide Board met five times. Typically Board meetings are held bi-monthly. The Director & Chief Executive Officer and the Chairman meet regularly to discuss business and strategic issues and to agree on board agendas.

Board Committees

Two Board Committees operated during 2010. They were:

- Remuneration and Human Resources Policy Committee, comprising Jennifer Darbyshire (Chair) and Alison Inglis
- Audit and Risk Management Committee, comprising Fiona Bennett (Chair) and John Downer

Access to Information

Directors are entitled to access all information required to discharge their responsibilities. In addition to the Board Papers, Directors are in regular contact with the Director & Chief Executive Officer on significant issues. Senior managers also make presentations at each Board meeting to assist Directors in developing an in-depth knowledge of the Company's operations and activities. Most Board meetings are held on-site at the Museum in Bulleen to enhance Directors' knowledge of the Museum's assets and operations. Board meetings may occasionally be held off-site at other cultural institutions to broaden sector-specific knowledge.

Conflict of interest

Declaration of conflict of interest is a standard Board Agenda item. Directors are required to continually monitor and disclose any potential conflicts of interest. The Corporations Act (2001) requires directors to disclose any conflicts of interest and to generally abstain from participating in any discussion or voting on matters in which they have a material personal interest. A director who believes he or she may have a conflict of interest or material personal interest in a matter is required to disclose the matter in accordance with Corporations Act requirements.

Review of Board Performance

The Board has a formal process for reviewing its performance and that of its committees, individual directors and executive management. The Board meets once a year to consider these issues.

Annual General Meetings

The Board views Annual General Meetings as an important opportunity to communicate with Company Members and sets aside time at these meetings for Company Members to ask questions of the Board. All members of the Board are encouraged to attend and a representative of Heide's auditor, Seward Dawson, is invited to be available to respond to questions about the audit preparation and content of the audit report. The Director & Chief Executive Officer and the Chairman deliver presentations on the Company's performance over the year and respond to questions.

11.2 HEIDE BOARD SUB-COMMITTEES

Audit & Risk Management Committee (ARMC)

Risk Management is a key element of effective corporate governance. Heide has a comprehensive Risk Management policy and framework based on the Australian Standard for Risk Management (AS/NZS 4360:2004). In 2010 the Museum further developed and refined risk action plans and specific procedures for managing the organisation's financial, asset, operational and project risks.

The ARMC comprises two independent directors, one with accounting/financial skills and one with general business expertise. Heide management (CEO and Business, Finance & Sustainability Manager) attend the meetings by invitation, as well as other staff as deemed necessary. The ARMC meets 3 times per annum and provides assistance to the Board of Directors in fulfilling its governance and oversight responsibilities in relation to:

- the integrity of the company's annual financial statements and financial reporting;
- exposure to and management of legal, business and operational risks;
- compliance with all statutory requirements;
- the effectiveness of the audit function;

- the adequacy and effectiveness of financial controls, internal controls and management systems;
- the overall effectiveness and adequacy of Heide's corporate governance and risk management framework, policies and processes, and compliance therewith;
- providing adequate education for directors and management regarding their responsibilities in the aforementioned areas.

Remuneration & Human Resources Policy Committee (R&HR)

The Remuneration and Human Resources Policy Committee (R&HR) comprises two independent directors of the Board. Heide management (CEO and Business, Finance & Sustainability Manager) attend the meetings by invitation, as well as other staff as deemed necessary. The R&HR Committee is responsible for:

- assisting the Chair of the Board with the performance review of the Chief Executive / Director including holding preliminary performance outcome conversations;
- assisting the Board in its oversight of the remuneration packages of the Chief Executive / Director and other senior executives who report directly to the Chief Executive / Director having regard to the circumstances of Heide and the performance of the individuals concerned;

- monitoring and reviewing Heide's HR policies and procedures as contained in the HR Policy & Procedures Manual;
- reviewing the Chief Executive / Director's recommendations in relation to key executive appointments and executive succession planning;
- reviewing and monitoring changes to Heide's standard Contract of Employment;
- performing other duties and activities that it or the Board considers appropriate in the context of this Charter; and
- reporting and submitting recommendations to the Board on these matters as and when required.

11.3 BOARD DIRECTORS & SENIOR MANAGEMENT PERSONNEL

Directors

Trevor Tappenden, Chairman

Trevor Tappenden joined the Board in April 2002, taking up the position of Chairman in August 2002. Trevor is an independent Company Director, Chartered Accountant (ACA), Fellow of the Australian Institute of Company Directors and a former Managing Partner of Ernst & Young (Melbourne). He is currently a Councillor of RMIT University and holds Director roles with RMIT Vietnam, CEDA, VITS Language Link, Dairy Food Safety Victoria, Turtlehouse Corporation, and VisionGATEWAY. For many of those organisations he is Chairman of the Audit and Risk Management Committee. Trevor holds other positions as an independent expert on the Audit and Risk Committees of Southern Rural Water and Haileybury College, as well as a Trustee of the Ernest Heine Family Foundation.

Fiona Bennett

Fiona Bennett joined the Board in October 2008. Fiona is a senior executive with six years experience as a Director of various entities, including Bayside Health, Institute of Chartered Accountants in Australia, WPC Group Limited and Girl Guides Victoria. Fiona has worked at senior executive level in two major corporations and implemented difficult strategic change initiatives to derive successful and profitable outcomes. Fiona holds a degree in Arts (BA [Hons]) and is a Fellow of the Australian Institute of Management and the Institute of Chartered Accountants in Australia and is a Member of the Institute of Internal Auditors.

Jennifer Darbyshire

Jennifer Darbyshire joined the Board in April 2006. Jennifer has a corporate legal and executive background with extensive transactional, governance and regulatory experience. Jennifer joined the National Australia Bank in 2006, her current role being Legal Australia's Head of Corporate and Operations. She has previously worked in private legal practice in Melbourne and London and in major Australian corporations. Jennifer holds degrees in Arts (BA) and Law (LLB [Hons] and LLM) and a Grad Dip in Company Secretarial Practice. In addition to her role on the Heide Board, Jennifer is a director of St Vincent's & Mercy Private Hospital and is a member of the Board Quality & Risk Committee.

John Downer AM

John Downer joined the Board in February 2004. A consulting engineer with a degree in engineering (BE [Hons]) he was Chief Executive of the international Maunsell Group from 1993 to 1998 and subsequently Chairman. John is a Fellow of the Institution of Engineers Australia, Institution of Engineers (UK), and Institution of Engineers (Hong Kong). In 2001 John was made a Member of the Order of Australia for service to engineering and international trade.

Dr Alison Inglis

Dr Alison Inglis joined the Board in April 2006. Alison is a Senior Lecturer and Head of the Art History program at the University of Melbourne. She is also the course co-ordinator for the MA Art Curatorship program. Alison has been a member of several museum boards, including the Council of Trustees of the National Gallery of Victoria and the Donald Thomson Collection Committee of the Melbourne Museum. She holds a PhD from the University of Melbourne and her key research areas include the art of nineteenth-century Britain and the history of art museums and collecting in Australia.

Senior Management

The Senior Management Team comprises four members, whose qualifications and experience is detailed below. This group meets weekly to review operational priorities, develop strategy, plan projects and resolve problems. Decisions and issues are discussed at weekly staff and unit meetings.

Jason Smith: Director / Chief Executive Officer

BA (Vis Arts), Postgraduate Certificate (Museum Studies)

Jason joined Heide in June 2008 as Director & Chief Executive Officer. Previous positions include Curator, Contemporary Art, National Gallery of Victoria, Melbourne, and Director, Monash Gallery of Art, Melbourne.

Linda Michael: Deputy Director / Senior Curator

BA (First Class Hons), Postgrad cert (Editing and Publishing)

Linda joined Heide in November 2008. Previous positions include Senior Curator, Monash University Museum of Art, Melbourne and Senior Curator, Museum of Contemporary Art, Sydney and as independent curator on projects including *Patricia Piccinini: We Are Family*, 2003 Biennale of Venice and *21st Century Modern: 2006 Adelaide Biennial of Australian Art*.

Kirstee Macbeth: Deputy Director, Development, Marketing & Commercial Operations

Kirstee Macbeth joined Heide in April 2009. With 16 years experience in the UK and Australian event and entertainment industries, Kirstee specialises in strategic marketing and commercial development. Previous roles include Director, Corduroy Brand Consultancy; Marketing & Sponsorship Manager, National Gallery of Victoria; Senior Marketing Consultant, Sky Active London and Media Strategist and Account Manager, Channel 4 Television, London.

Paula Greene: Business & Finance Manager

BS (Hons), Postgrad cert (Art History), US CPA, Graduate Certificate (Art History)

Paula Greene joined Heide in December 2006. Previous positions include Chief Financial Officer of Holden New Zealand Ltd, Business Risk Manager of General Motors Holden Australia Pty Ltd and Account Director of Enterprise Risk Services for Deloitte with clients in various industries including the Victorian Arts Sector.

12. STAFF & VOLUNTEERS**STAFF****Senior Management Team**

Jason Smith
Director / Chief Executive Officer

Kirstee Macbeth
*Deputy Director, Development, Marketing
& Commercial Operations*

Linda Michael
Deputy Director / Senior Curator

Paula Greene
Business, Finance & Sustainability Manager

Curatorial & Programming

Sue Cramer
Curator

Lesley Harding
Curator

Christine Healey
Education Coordinator

Kendrah Morgan
Curator

Katarina Paseta
*Exhibitions & Collection Manager
(until 12 November)
Collection Manager (from 15 November)*

Rebecca Renshaw
*Public Programs Coordinator (from 15
November, return from maternity leave)*

Jennifer Ross
Registrar

Linda Short
Assistant Curator

Samantha Vawdrey
*Public Programs Coordinator (to 12 November)
Exhibition Manager (from 15 November)*

**Development, Marketing
& Commercial Operations**

Fiona Cabassi
*Senior Visitor Services Officer
(maternity leave from May)*

Claire Campbell
Heide Store Manager

Liz Cox
Graphic Designer (from March)

Maria Davies
Visitor & Membership Services Manager

Stephanie DiBattista
Assistant Visitor Services Manager (from July)

Jade Enge
*Marketing & Communications Coordinator
(to November)*

Nick Hays
Development Manager (to December)

Nicole Kenning
*Marketing & Communications Coordinator
(from November)*

Kathy Lazanas
Senior Development Manager

Ben Lee
Development Coordinator (from November)

Janet Wells
*Marketing & Communications Manager
(from May)*

Fiona Wilson
Senior Visitor Services Officer

Visitor Services Officers

Emma Agius (to September)
Carol Cardoso (to January)
Sita Fatchen (from March)
Tom Greenaway
Esther Gyorki (to May)
Karen Hinde (from March)
Stacy Jewell (to August)
Monica McKean (from March)
Roisin Murphy
Kevin Pearson (from September)
Penny Peckham
Brian Pieper

Business Services

Paul Galassi
Facilities Manager
Margaret Swallow
Finance & Office Administrator

Gardens

Dugald Noyes
Head Gardener
Isabella Amouzandeh
Gardener
Danielle Violato
Gardener (from April)

VOLUNTEERS

**Curatorial & Programming
Volunteer Guides**

Jan Andrews
Valma Angliss AM
Jenny Anson
Lynne Curtis
Gay Cuthbert
Shirley Daffen
Judy Davies
Bridget Dwyer
Gordon Ennis
Susan Fahey
Viona Fung
Bill Gillies
Rosanne Green
Esther Gyorki
Elle Hanson
Susan Heffernan
Patty Hodder
Judith Hughes
Kate McLaren
Kelly Madigan
Judy Milne-Pott
Jill Nicol
Olivia Porter
Jane Robinson
Bianca Rohjle
Helen Stewart

Volunteers & Interns

Justine Grace
Helen Hughes
Stacy Jewell
Genevieve Osborn
Jo Sapir
Mary Waters
Laetitia Prunetti

Education Volunteers

Judith Bridges
Jo Campbell
Irene Cook
Bronte Cullis
Jane Dyer
Diane Goetze
Megan Hill
Marita Kelly
Priscilla Lane
Grace Longato
Kerry Lucas
Rochelle Matthews
Jackie Moss
Lesley Nisbet
Jill Nicol
Cathy Price
Michela Sirianni
Gail Southwell
Magdalena Vaiopolous

VISITOR SERVICES**Volunteers**

Heather Adam
Keira Alexander
Jenny Anson
Libby Austen
Annie Barton
Nancy Bellew
Lula Black
Nicole Bowller
Katy Bowman
Caitlin Breare
Jude Bridges
Emma Brown
Sallie Butler
Ron Chapman
Tess Chapman
Jane Clark
Georgina Clarke
Antonietta Colucci
Natalie Conti
Catherine Copley
Fiona Cranwell
Elizabeth Cummins
Erin Davidson
Barbara Davies
Meredith Dellar
Ann Dickey
Jane Dyer
Marilyn Edgar
Brent Edwards
Tony Fagioli
Susan Fahey
Sita Fatchen
Judy Ferguson
Jeanette Fry
Viona Fung
Sean Gao
Robin Gibson
Claudia Gleave

Justine Grace
Bev Gray
Katrina Gubbins
Elena Gunston
Sofie Hainbach
Leona Haintz
Ramona Hamilton-Lindsay
Cathy Harrison
Del Heaton
Karen Hinde
Patty Hodder
Anna Horan
Heather Howes
Monica Huber
Caroline Hughes
Olivia Jackson
Rachel Jones
Caroline Kaddis
Hana Karas
Georgia Kardaras
Patsy Killeen
Michael Kirwan
Jan Kondarovskis
Andreas Kral
Elizabeth Kulas
Christine Lavender
Stephanie Mainwaring
Rochelle Matthews
Abbie Matthews
Monica McKean
Beryl McKenzie
Zara McKenzie
Anne McLachlan
Rosemary McQualter
Faye Meldrum
Anna Metcalfe
Belinda Micevska
Amy Middleton
Adriana Milevoj
Lia Mitsopoulos
Jackie Moss

Helen Murray
Salem Nasser
Ngoc Nguyen
Lesley Nisbet
Sue Nunis
Rae O'Shaughnessy
Jenny Osborne
Suzi Owen
Jenny Papas
Tia Parker
Murray Pearce
Kevin Pearson
Marina Perkovich
Judith Perry
Catherine Pieper
Jessica Pitcher
Cathy Price
Ciara Price
Tracy Quartier
Cathy Quinn
Sommer Ralph
Vivienne Reed
Cheryl Rees
Anne Rees
Barbro Roberts
Freyja Ronngard
Andree-Claire Ruggeri
Eleanor Sadler
Sheraz Salama
Romina Sgro
Rohan Sinton
Lynda Smerdon
Victoria Stamos
Stuart Steinfort
Bridget Stokell
Fiona Swift
Maggie Vaiopoulos
Margaret Van de Walle
Joy Villalino
Lorraine Wallis
Megg Walstab

Mary Waters
Emma Waters
Erin Watson
Lola Wenn
Sam Willis
Suzanne Wolny
Eleisha Yau
Anna Yau
Feyza Yazar
Ashley Young



33



34



35



36



37

33 guests at the opening of Simryn Gill: Gathering
34 Richard Lewer

35 Kendrah Morgan, Peter Tyndall, Katarina Paseta,
Melissa Keys

37 Lesley Harding, Karen McCarthy, David Thomas,
Sue Cramer

36 William Yang, Natalie King, Paul Cox, Jason Smith



38



39



40



41



42

38 Mikala Dwyer, Rose Nolan, Ronnie van Hout,
Kathy Temin

39 guests at the opening of
freehand: recent Australian drawing

40 Simryn Gill

41 Nick Selenitsch

42 work by Joyce Hinterding in
freehand: recent Australian drawing

**13. FINANCIAL
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DIRECTOR'S REPORT

Your directors present this report on the entity for the financial year ended 31 December 2010.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Fiona Bennett
Jennifer Darbyshire
John Downer
Alison Inglis
Craig Kimberley (*retired 19 April 2010*)
Mark Newman (*retired 15 November 2010*)
Trevor Tappenden

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The principal activities of the company during the financial year were to offer an inspiring, educational and thought-provoking experience of modern and contemporary art, architecture and landscape. 2010 was the first full year of operations since 2007 and the completion of Heide III redevelopment since re-opening on 18 July 2006. 2010 was the final year of the three year Corporate Plan: Heide 'SMart Strategy 2008-2010'. This plan incorporated and drove the implementation of sustainability methodologies and practices encompassing the Museum's environmental, financial and cultural objectives.

The entity's short term objectives are to:

- Increase operational and maintenance funding support
- Maximise revenue to the Museum through commercial operations
- Reposition the Heide Collection as a significant asset accessible to the public
- Maximise audiences through strategic initiatives in education and public programs
- Maintain Heide I as open to the public, in keeping with heritage and archive plan

The entity's long term objectives are to:

- The key organisational imperative for the 2011-13 Corporate Strategic Plan is the long-term financial and operational sustainability of the Museum
- To achieve these objectives, the entity has adopted the following strategies:
 - Maintain and optimise a fully operational business model through ongoing measures to streamline operations and reduce operating costs
 - Produce sustainable exhibition programs encompassing solo, group and thematic exhibitions by young and established Australian and international artists, from the Collection and outside sources
 - Develop and conserve the Heide Collection
 - Implement new initiatives in Education outreach and sector network, Public Programs and exhibition interpretation

- Maximise revenue across Commercial Operations (Heide Store, Visitor Services, Membership, Café Vue at Heide and Vue de Monde Events at Heide)
- Secure and grow a diverse and committed funding base to support operations and acquisitions through Donations, Acquisitions and Partnerships
- Maintain a strong, effective Financial & Risk Management framework across all areas of operations
- Implement Heide Virtual
- Increase 2011 audience awareness and attendances through strategic promotion of exhibition and collection program, Education and Public Programs, and Commercial Operations
- Maintain a positive, healthy working environment for all staff

Information on Directors

Fiona Bennett	Chartered Accountant, Company Director
Qualifications	BA (Hons), FCA, FAICD, FAIM, MIIA
Special Responsibilities	Chair: Audit and Risk Management Committee
Jennifer Darbyshire	Senior Legal Counsel, National Australia Bank
Qualifications	BA, LLB(Hons), LLM, Grad Dip (Company Secretarial Practice)
Special Responsibilities	Chair: Remuneration and Human Resources Policy Committee
John Downer	Engineer & Company Director
Qualifications	BEng (Hons)
Special Responsibilities	Audit and Risk Management Committee
Alison Inglis	Associate Professor, University of Melbourne
Qualifications	BA (Hons), PhD
Special Responsibilities	Remuneration and Human Resources Policy Committee
Craig Kimberley	Company Director
Qualifications	Businessman and entrepreneur
Special Responsibilities	Commercial operations; retail; marketing and communications
Mark Newman	Executive Director & Chief Investment Officer, K2 Asset Management
Qualifications	BEcon
Special Responsibilities	Financial management; investment management
Trevor Tappenden	Chartered Accountant, Company Director
Qualifications	ACA
Special Responsibilities	Chairman

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

Directors' Meetings

	Number eligible to attend	Number attended
Fiona Bennett	6	5
Jennifer Darbyshire	6	6
John Downer <i>(leave of absence Feb-April 2010)</i>	6	3
Alison Inglis	6	6
Craig Kimberley <i>(retired 19 April 2010)</i>	2	2
Mark Newman <i>(retired 15 November 2010)</i>	5	4
Trevor Tappenden	6	6

Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the entity. At 31 December 2010 the collective liability of members was \$1,350 (2009: \$1,350).

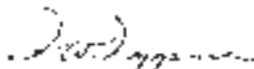
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 78 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Fiona Bennett
Director



Trevor Tappenden
Director

Dated this 18 day of March 2011

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson Chartered Accountants


Tim Flowers
Partner

Dated 18 March 2011

**STATEMENT OF
COMPREHENSIVE INCOME**

For the year ended 31 December 2010

	Note	2010 \$	2009 \$
Operating Activities			
Revenue from operating activities	2	4,155,738	2,982,190
Programming expenses		(424,235)	(436,551)
Marketing expenses		(606,483)	(491,263)
Collection expenses		(77,166)	(80,841)
Costs of goods sold		(256,370)	(191,020)
Commercial operations expenses		(14,958)	(19,791)
Repairs and maintenance		(233,032)	(179,263)
Grounds and gardens		(40,179)	(50,443)
Utilities		(107,966)	(86,802)
Insurance		(109,958)	(99,808)
Borrowing costs		(460)	(29)
Depreciation, amortisation and impairment		(607,162)	(483,631)
Employee benefits expense		(1,752,706)	(1,640,402)
Other expenses from operating activities		(382,586)	(215,475)
Total operating expenses		(4,613,261)	(3,975,319)
Net surplus (deficit) from operating activities		(457,523)	(993,129)
Investing Activities			
Gain on sale of investments		–	178,921
Brokerage costs		–	(3,157)
Net surplus from investing activities		–	175,764

**STATEMENT OF
COMPREHENSIVE INCOME (cont)**

For the year ended 31 December 2010

	Note	2010 \$	2009 \$
Philanthropic Activities			
Donations and sponsorships (including gifts in kind)		48,555	23,835
Donated works of art (at market value)	2	505,909	945,500
		554,464	969,335
Development expenses		-	(11,438)
Net surplus from philanthropic activities		554,464	957,897
Capital Activities			
Donations		3,000	393,090
Government grants		-	1,435,609
Interest revenue from other persons		-	51,224
		3,000	1,879,923
Capital redevelopment expenses		(18,182)	(30,276)
Net surplus from capital activities		(15,182)	1,849,647
Net surplus for the year from all activities		81,759	1,990,179
Other comprehensive income			
Net (loss)/gain on revaluation of financial assets		(72,717)	212,109
Net gain on revaluation of Works of Art		-	-
		9,042	2,202,288

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2010

	Note	2010 \$	2009 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	4	104,808	190,885
Trade and other receivables	5	857,885	696,482
Financial assets	6	1,162,683	1,235,400
Total Financial Assets		2,125,376	2,122,767
Non-Financial assets			
Inventories	7	59,475	72,044
Property, plant and equipment	8	13,422,340	13,863,064
Other current assets	9	58,157	61,228
Works of Art	9	41,138,175	40,575,148
Total Non-Financial Assets		54,678,147	54,571,484
TOTAL ASSETS		56,803,523	56,694,251
LIABILITIES			
Trade and other payables	10	1,422,858	1,333,062
Borrowings	11	6,418	9,179
Short-term provisions	12	119,094	105,899
Total current liabilities		1,548,370	1,448,140
TOTAL LIABILITIES		1,548,370	1,448,140
NET ASSETS		55,255,153	55,246,111
EQUITY			
Reserves		43,755,590	43,322,398
Accumulated surpluses		11,499,563	11,923,713
TOTAL EQUITY		55,255,153	55,246,111

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Retained Surplus \$	Asset Revaluation Surplus \$	Donated Artworks Reserve \$	Financial Assets Revaluation Reserve \$	Total \$
2010					
Balance at 1 January 2010	11,923,713	24,381,329	18,419,134	521,935	55,246,111
Surplus from ordinary activities	81,759	–	–	–	81,759
Revaluation decrement	–	–	–	(72,717)	(72,717)
Transfers to and from reserves					
donated artwork reserve	(505,909)	–	505,909	–	–
Balance at 31 December 2010	11,499,563	24,381,329	18,925,043	449,218	55,255,153

	Retained Surplus \$	Asset Revaluation Surplus \$	Donated Artworks Reserve \$	Financial Assets Revaluation Reserve \$	Total \$
2009					
Balance at 1 January 2009	10,859,034	24,401,329	17,473,634	309,826	53,043,823
Surplus from ordinary activities	1,990,179	–	–	–	1,990,179
Revaluation increment	–	–	–	212,109	212,109
Transfers to and from reserves					
donated artwork reserve	(945,500)	–	945,500	–	–
asset revaluation reserve	20,000	(20,000)	–	–	–
Balance at 31 December 2009	11,923,713	24,381,329	18,419,134	521,935	55,246,111

STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

	Note	2010 \$	2009 \$
Cash from operating activities:			
Receipts from customers donations and sponsorships		1,882,681	1,633,980
Payments to suppliers and employees		(3,521,121)	(3,687,359)
Grant receipts		1,698,592	2,535,537
Dividends received		72,626	53,231
Interest received		7,461	96,957
Interest paid		-	(29)
Net cash provided by (used in) operating activities	16	140,239	632,317
Cash flows from investing activities:			
Proceeds from sale of investments		-	289,994
Acquisition of property, plant and equipment		(166,437)	(2,083,719)
Acquisition of other non-current assets		(57,118)	(7,945)
Acquisition of other investments		-	(737,817)
Net cash provided by (used in) investing activities		(223,555)	(2,539,487)
Cash flows from financing activities:			
New short term borrowings drawn		(2,761)	1,655
Net cash provided by (used in) financing activities		(2,761)	1,655
Net increase (decreases) in cash held		(86,077)	(1,905,515)
Cash and cash equivalents at beginning of year		190,885	2,096,400
Cash at end of financial year	4	104,808	190,885

14. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

a General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Heide Park & Art Gallery as a company limited by guarantee, incorporated and domiciled in Australia

b Basis of preparation

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

c Income taxes

No current or deferred income tax assets or liabilities have been raised by the company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act. The company has sought and received confirmation of its income tax exempt status from the Australian Taxation Office under the Charitable Institution rules outlined in the Act.

d Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

e Property, plant and equipment

Land and buildings

Freehold land and buildings are shown at cost less subsequent depreciation of buildings. In the current period, an independent market valuation was conducted by Wilson Pride Valuations. The land and buildings were valued at \$2,958,000 on 4 February 2011. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors. The company's directors review the depreciated replacement cost of the buildings and leasehold improvements on an annual basis to ensure that the carrying values are not in excess of the valuation, as required by AASB 136 *Impairment of Assets*.

Improvements

The company acts as a government appointed committee of management with respect to the property known as Heide Park and Art Gallery. The directors are of the opinion that the custodianship over Heide Park is permanent in nature and therefore they believe that it is appropriate to value the leasehold improvements on a basis consistent with AASB 116 Property, Plant and Equipment. The value of capitalised leasehold improvements will be amortised over their expected useful life (applicable amortisation rate used is 2.5%). Leasehold improvements are amortised over 40 years.

In the current period, an independent market valuation was conducted by Wilson Pride Valuations. The leasehold improvements were valued at \$11,280,180 on 4 February 2011.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Plant and Equipment	20%
Computer Equipment	40%
Leasehold improvements	2.5%

Impairment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g Financial instruments*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

All of the company's investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

h Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. 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. Other employee benefits payable later than one year have been measured at present value. The company has not accounted for on costs on these provisions.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

i 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 three months or less.

j Deferred income

Deferred income shown in the accounts will be brought to account over the service delivery period based on the percentage of completion method. For further details refer to the revenue recognition policy that follows.

k Revenue

Donated works of art are recognised as revenue at market value at the time the works are donated.

Government grants are recognised as income as they are earned. Where grants relate to activities not yet undertaken, and

there is an obligation to repay those funds if they are not spent for the approved purpose then such funds are recognised as deferred income until such time as the funded activities are undertaken.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Donation income is recognised when it is received.

Other revenue is recognised when the right to receive the revenue has been established.

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

l 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 Taxation 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.

m Works of art

The company undertook an independent valuation of the works of art in full as at 31 December 2008. Further details of the valuation are provided as part of Note 9. The directors have determined that where the works of art are owned by the company or provided to the company under an enduring stewardship arrangement, their value should be disclosed as assets of the company. Works of art on loan or provided to the company under a non-enduring stewardship arrangement are not disclosed as assets of the company. Industry standards stipulate that the company must maintain and insure all works of art held. The company is planning to undertake an independent evaluation in 2011.

n Graeme Sturgeon Memorial Trust

The Graeme Sturgeon Memorial Trust is a trust established to promote the creation and appreciation of Australian contemporary sculpture. The trust funds are administered by the company but are excluded from the financial statements as the funds must be appropriated in accordance with the deed of trust. The financial statements of the trust have not been audited as at 31 December 2010. The unaudited financial statements of the trust disclose net available assets of \$722.

o Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

p Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or where appropriate depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

q Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

t New accounting standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the company has not adopted early. A discussion of those future requirements and their impact on the company is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).
- This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the company.
- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).
- AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
- Tier 1: Australian Accounting Standards; and
 - Tier 2: Australian Accounting Standards — Reduced Disclosure Requirements.
- Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.
- The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):
- for-profit private sector entities that have public accountability; and
 - the Australian Government and state, territory and local governments.
- Subject to AASB 1049, general government sectors of the Australian Government and state and territory governments would also apply Tier 1 reporting requirements.
- The following entities can elect to apply Tier 2 of the framework when preparing general purpose financial statements:
- for-profit private sector entities that do not have public accountability;
 - not-for-profit private sector entities; and
 - public sector entities, whether for-profit or not-for-profit, other than the Australian Government and state, territory and local governments.
- AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific 'RDR' disclosures.
- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Standard is not expected to impact the company.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

NOTE 2: REVENUE

	2010 \$	2009 \$
Operating activities		
sale of goods	501,971	354,510
admissions	479,942	283,865
government grants	1,728,885	1,659,741
donations and sponsorship (including gifts in kind)	1,045,987	469,722
interest and dividends	80,087	98,964
other	318,866	115,388
Total Revenue from Operating Activities	4,155,738	2,982,190
(a) Dividend revenue from other corporations	72,626	53,231
(b) Interest revenue from other persons	7,461	96,957

Significant Revenue**The following significant revenue items are relevant to explaining the financial performance:**

Donated works of art (at market value)	505,909	945,500
Triennial State Funding	1,370,277	1,336,856
VIC State Grants	315,930	255,097
Commonwealth Government Grant	-	29,720
Local Government Grants	42,677	38,068
Donations and sponsorship (including gifts in kind)	1,045,987	469,722

NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES

	2010 \$	2009 \$
Surplus (deficit) from Ordinary Activities has been determined after:		
(a) Expenses from Ordinary Activities		
Depreciation of property, plant and equipment	253,676	174,473
Amortisation of leasehold improvements	353,486	309,158
Remuneration of auditor		
Auditing or reviewing the financial report	17,250	16,600
Other services: Preparation of financial statements	3,150	3,000
Rental expense on operating leases	8,921	4,901
(b) Revenue and Net Gains		
Net gain on disposal of investments	-	178,921

NOTE 4: CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash on hand	3,169	2,957
Cash at bank	101,639	187,928
	104,808	190,885

NOTE 5: TRADE AND OTHER RECEIVABLES

	2010 \$	2009 \$
CURRENT		
Trade receivables	47,527	11,523
Government grant - operations	762,512	638,000
Other receivables	47,846	46,959
	857,885	696,482

NOTE 6: FINANCIAL ASSETS

	2010 \$	2009 \$
Available-for-sale Financial Assets Comprise:		
Equity investments	1,162,683	1,235,400
Total available-for-sale financial assets	1,162,683	1,235,400

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

NOTE 7: INVENTORIES

	2010 \$	2009 \$
CURRENT		
At net realisable value		
Stock on hand	59,475	72,044
	59,475	72,044

NOTE 8: PROPERTY PLANT AND EQUIPMENT

	2010 \$	2009 \$
Land And Buildings		
Freehold land at cost	500,000	500,000
Buildings		
At cost	1,100,000	1,100,000
Less accumulated depreciation	(220,000)	(192,500)
Total buildings	880,000	907,500
Plant And Equipment		
<i>Plant and equipment</i>		
At cost	1,501,087	1,698,118
Less accumulated depreciation	(721,229)	(890,429)
Total plant and equipment	779,858	807,689
<i>Computer software</i>		
At cost	30,941	30,941
Less accumulated depreciation	(22,174)	(15,986)
Total computer software	8,767	14,955
<i>Leasehold improvements</i>		
At cost	12,819,629	12,879,036
Less accumulated amortisation	(1,565,914)	(1,246,116)
Total leasehold improvements	11,253,715	11,632,920
Total property, plant and equipment	13,422,340	13,863,064

NOTE 8: PROPERTY PLANT AND EQUIPMENT (cont)**Movements in Carrying Amounts**

	Freehold land \$	Buildings \$	Leasehold improvements \$	Plant and Equipment \$	Capital works in progress \$	Computer software \$	Total \$
31 December 2010							
Balance at the beginning of year	500,000	907,500	11,632,920	807,689	–	14,955	13,863,064
Additions	–	–	83,532	82,906	–	–	166,438
Transfers	–	–	(142,939)	142,939	–	–	–
Depreciation expense	–	(27,500)	(319,798)	(253,676)	–	(6,188)	(607,162)
Carrying amount at the end of year	500,000	880,000	11,253,715	779,858	–	8,767	13,422,340
31 December 2009							
Balance at the beginning of year	500,000	935,000	9,805,553	723,910	277,370	21,143	12,262,976
Additions	–	–	–	258,253	1,825,466	–	2,083,719
Transfers	–	–	2,102,836	–	(2,102,836)	–	–
Depreciation expense	–	(27,500)	(275,469)	(174,474)	–	(6,188)	(483,631)
Carrying amount at the end of year	500,000	907,500	11,632,920	807,689	–	14,955	13,863,064

NOTE 9: OTHER ASSETS

	2010 \$	2009 \$
Current		
Other current assets	58,157	61,228
Non-Current		
Works of art	41,138,175	41,138,175

The directors have based their value of Works of Art on an independent valuation performed as at 31 December 2008.

In addition to the works of art owned by the company or subject to enduring stewardship arrangement disclosed above, the value of works of art on long-term loan to the company or subject to non-enduring stewardship arrangements total \$7,993,875 which has not been recorded as an asset of the company.

NOTE 10: TRADE AND OTHER PAYABLES

	2010 \$	2009 \$
Current		
Unsecured liabilities		
Trade payables	527,959	565,444
Deferred income - government grants	781,022	686,803
Other payables	113,877	80,815
	1,422,858	1,333,062

NOTE 11: BORROWINGS

	2010 \$	2009 \$
Current		
Credit card amounts payable	6,418	9,179
	6,418	9,179

NOTE 12: PROVISIONS

	2010 \$	2009 \$
Employee Entitlements		
Opening balance at 1 January	105,899	72,749
Additional provisions	95,901	105,023
Utilised during the period	(82,706)	(71,873)
Balance at 31 December	119,094	105,899
Analysis of Total Provisions		
Current	119,094	105,899
	119,094	105,899

NOTE 13: RESERVES**a Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of non-current assets. The balance of the Asset Revaluation Reserve at 31 December 2010 was \$24,381,329.

b Financial Asset Revaluation Reserve

The financial asset revaluation reserve records the unrealised gain on financial investments. The balance of the Financial Asset Revaluation Reserve at 31 December 2010 was \$449,218.

c Donated Artworks Reserve

This reserve represents the value of works of art donated or bequeathed to the company. The balance of the Donated Artworks Reserve at 31 December 2010 was \$18,925,043. Subsequent revaluations of the Works of Art are recognised in the Asset Revaluation Reserve.

NOTE 14: ECONOMIC DEPENDENCE

The continued operation of Heide Park and Art Gallery is dependent on funding provided by the State Government of Victoria.

NOTE 15: SEGMENT REPORTING

The company operates predominately in one business and geographical segment being the operation of Heide Museum of Modern Art and surrounding parkland, located at 5 and 7 Templestowe Road, Bulleen Victoria.

NOTE 16: CASH FLOW INFORMATION

Reconciliation of cashflow from operations with surplus for the year

	2010 \$	2009 \$
Net surplus for the year	81,759	1,990,179
Non-cash flows in surplus:		
Amortisation	353,486	309,157
Depreciation	253,676	174,473
Net (gain)/loss on sale investments	-	(133,765)
Works of art (donated)/written off	(505,908)	(945,500)
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	(395,333)	129,175
(Increase)/decrease in other assets	3,071	(4,905)
(Increase)/decrease in inventories	12,567	(7,558)
Increase/(decrease) in trade payables and accruals	229,507	209,518
Increase/(Decrease) in grants received in advance	94,219	(1,121,607)
Increase/(decrease) in provisions	13,195	33,150
	140,239	632,317

NOTE 17: CAPITAL AND LEASING COMMITMENTS**17a Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2010 \$	2009 \$
Payable - minimum lease payments:		
not later than 12 months	3,901	3,901
between 12 months and 5 years	3,576	11,379
	7,477	15,280

The operating lease relates to the lease of a projector.
The lease term expires November 2012.

17b Capital Expenditure Commitments

	2010 \$	2009 \$
Capital expenditure commitments contracted for:		
Cafe redevelopment	-	104,897
	-	104,897

The Cafe Redevelopment project was completed during the 2010 financial year.

NOTE 18: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	104,807	190,885
Trade and other receivables	5	857,886	696,482
Available-for-sale financial assets			
Equity investments	6	1,162,683	1,235,400
		2,125,376	2,122,767
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	10	1,422,858	1,333,062
Borrowings	11	6,418	9,179
		1,429,276	1,342,241

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as the major source of revenue is the receipt of grants. Credit risk is further mitigated as over 90% of the grants being received from state and federal governments are in accordance with funding agreements.

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total Contractual Cash Flow	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and deferred income)	1,422,858	1,333,062	-	-	-	-	1,422,858	1,333,062
Borrowings	6,418	9,179	-	-	-	-	6,418	9,179
Total contractual outflows	1,429,276	1,342,241	-	-	-	-	1,429,276	1,342,241
Total expected outflows	1,429,276	1,342,241	-	-	-	-	1,429,276	1,342,241
Financial assets - cash flows realisable								
Cash and cash equivalents	104,808	190,885	-	-	-	-	104,808	190,885
Trade, term and loans receivables	857,885	696,482	-	-	-	-	857,885	696,482
Other investments	1,162,683	1,235,400	-	-	-	-	1,162,683	1,235,400
Total anticipated inflows	2,904,084	2,667,546	-	-	-	-	2,904,084	2,667,546
Net (outflow)/inflow on financial instruments	1,483,540	1,476,509	-	-	-	-	1,483,540	1,476,509

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

At 31 December 2010 approximately 100% of company debt is fixed rate.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The company is exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year Ended 31 December 2010		
+/- 2% in interest rates	804	804
+/- 10% in listed investments	116,268	116,268
Year Ended 31 December 2009		
+/- 2% in interest rates	184	184
+/- 10% in listed investments	123,540	123,540

Net Fair Values

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e., trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures are the same as the carrying amount.

	2010		2009	
	Carrying amount \$	Net Fair value \$	Carrying amount \$	Net Fair value \$
Financial Assets				
Cash and cash equivalents	104,808	104,808	190,885	190,885
Trade and other receivables	857,885	857,885	696,482	696,482
Available for sale financial assets: Listed investments	1,162,683	1,162,683	1,235,400	1,235,400
	2,125,376	2,125,376	2,122,767	2,122,767
Financial Liabilities				
Trade and other payables	1,422,858	1,422,858	1,333,062	1,333,062
Borrowings	6,418	6,418	9,179	9,179
	1,429,276	1,429,276	1,342,241	1,342,241

NOTE 19: INTERESTS OF KEY MANAGEMENT PERSONNEL

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2010 \$	2009 \$
Short-term employee benefits	426,050	401,382
	426,050	401,382

NOTE 20: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards any outstanding obligations of the company. At 31 December 2010 the number of members was 27 (2009: 27).

NOTE 21: CONTRA SPONSORSHIP

Heide receives sponsorship in the form of graphic design, printing, catering, photography and advertising in exchange for promoting the provider as a corporate supporter of the gallery. The value of contra sponsorship included in the financial statements is \$505,895 (2009: \$224,291).

NOTE 22: COMPANY DETAILS

The registered office of the company is:

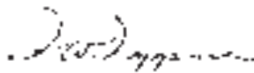
Heide Park & Art Gallery
7 Templestowe Road
Bulleen VIC 3105

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 31, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Trevor Tappenden
Director



Fiona Bennett
Director

Dated 18 March 2011

**INDEPENDENT AUDIT
REPORT TO THE
MEMBERS OF HEIDE
PARK & ART GALLERY****Report on the financial report**

We have audited the accompanying financial report of Heide Park & Art Gallery (the company), which comprises the statement of financial position as at 31 December 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Heide Park & Art Gallery on 18 March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion the financial report of Heide Park & Art Gallery is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Saward Dawson Chartered Accountants



Tim Flowers
Partner

Dated 18 March 2011