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Exhibition opening in the Barn Gallery

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Mission





Montsalvat's mission is to continue to be a "living, thriving, creative artistic community. Welcoming to the general public, it aims to educate and promote local, national and international cultural practice."

Chair's Report

The Board

Since last report, the Board has been increased in size in order to expand the range of professional skills and expertise available to Montsalvat. We sincerely welcome John Howie SC and Allan Willingham to the Board.

John, currently with Williams Winter, has broad legal experience, and a particular interest in the arts and philanthropic work. He has been chairman of Victorian Legal Aid and President of Film Victoria. John has now become a member of Montsalvat's Fundraising Committee.

Allan brings architectural experience to the Board and a particular expertise in architectural history and preservation matters. Montsalvat will benefit particularly from Allan's advice on conserving the unique buildings that are Montsalvat's signature and heritage.

Meetings

Since 2009, the Montsalvat Board has met five times each year, and holds its Annual General Meeting in October, concurrently with the fourth meeting for the year.

In between Board meetings, the CEO seeks advice from Board members as needed. The Board has been particularly helpful in establishing contact with funding bodies, and in increasing Montsalvat's range of institutional partnerships and connections.

Sub Committees

Formal subcommittees, which report to the Board, have been established during 2009-2010. They meet regularly to develop plans and oversee Montsalvat's finances, fundraising, sustainability and Friends organisation.

CEO Review

The CEO's mandated review was conducted by two members of the Board on 9 August 2010, and the results presented to the Board at the August 17 meeting. The chair, speaking for the Board, congratulated the CEO on what he had been able to achieve at Montsalvat in the first 15 months of his tenure and thanked him warmly both for his dedication and manifest managerial nous.

Montsalvat's Arts Advisory Board

The members of the Arts Advisory Board have provided invaluable assistance to Montsalvat, the CEO and Artistic Manager throughout the year, aiding in ways as various as the purchase of the new Yamaha Grand piano for the Barn Gallery, chairing and participating in literary evenings, performing as part of our concert program, providing references and initiating institutional connections. The Board is profoundly grateful for the assistance they so generously provide.



Institutional Associations

During 2010 the CEO and members of the Board began formal negotiations with a number of institutions, among them the State Library of Victoria (with a view to managing Montsalvat's extensive archives) and the University of Melbourne (curatorial assistance).

Over winter, Montsalvat was home to a group of enthusiastic knitters, women and men, who took part in the 'Save the Children' blanket drive. This is some of their handiwork.

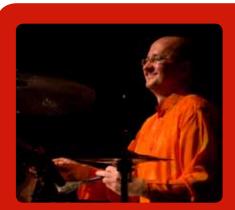
Philanthropy

Keen to diversify and extend Montsalvat's funding sources, the Board, in April 2010, commissioned Christopher Menz, former director of the Art Gallery of South Australia and an experienced fund raiser, to prepare a briefing paper and to consult with Board members and the CEO on the most effective ways of establishing and managing a donor program and extending Montsalvat's circle of 'Friends'. The Fundraising Committee has since been set up to implement the programs and initiatives presented to the Board by Mr. Menz.

Montsalvat continues its own tradition of arts philanthropy and community building by sponsoring artists in many fields, providing studio and meeting spaces and opportunity for activities that give back to the local community and encourage a climate in which art, in all its forms, is made, valued, understood and enjoyed.

CEO's Report

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2009/2010 was a very successful year for Montsalvat on many levels, but particularly in achieving its mission of being a living, thriving, artistic community.

left: Performer David Jones centre: Ring by Jeweller Simon Gaigent right: 'Red Interior' Tony Allan Our new artist in residence program has attracted nine artists to Montsalvat. They have included sculptors, composers and writers, and have stayed and worked at Montsalvat for periods varying from two to six weeks.

The work of the artists in residence compliments the arts practice of fifteen artists and craftspeople who already live, work or teach at Montsalvat. Long-term residents include artists working on jewellery, painting, violin, guitar and shakuhachi flute making, sculpture and film making.

Exhibitions held in the Barn and Long Galleries included the Nillumbik Prize, and works of aboriginal artist Jack Dale, and Montsalvat founder Justus Jörgensen.

Concerts held during the year included performances by some of Australia's finest musicians, among them the Flinders Quartet, Seraphim Trio, Hamer Quartet, Yarra Trio, David Jones, Michael Kieran Harvey and Timothy Kain. Two exceptionally successful jazz concerts, presented by Ted Vining, demonstrated that jazz is alive and well at Montsalvat.

Partnerships with other arts organisations contributed significantly to artistic achievement at Montsalvat. These organisations include the Australian National Academy of Music, Koori Heritage Trust, Splash and Nillumbik Shire Council.

In partnership with Eltham Bookshop, Montsalvat was the venue for a variety of book launches and literary and political discussions by authors such as Peter Rose, Rodney Hall, Adrian Hyland, Maria Tumarkin, Robert Manne, Anne Manne, Waleed Aly, Stephanie Alexander and Ramona Koval.



Bo Svoronos and Matcham Skipper at the Jack Dale exhibition opening.

The 'Writing about Art and the Lives of Artists', project funded by Copyright Agency Limited, enabled videos to be made of some of these events and utilised on the Montsalvat website.

A highlight of the year was the grant of \$250,000 from Heritage Victoria. This grant will enable much needed restoration works to be undertaken on Montsalvat's buildings.

Montsalvat is a not-for-profit company with an independent Board chaired by Morag Fraser AM. Income from its commercial operations is used to fund arts programs and to maintain and develop its historic buildings. Montsalvat is particularly fortunate to have had John Howie and Allan Willingham join the Board in 2009. Both John and Allan bring extensive knowledge and experience that will be of great benefit. I would like to thank all Board members, in particular Morag Fraser and Sigmund Jörgensen, for their commitment to Montsalvat during the year.

Special thanks also go to the staff of Montsalvat who do an outstanding job with limited resources, to the volunteers who support Montsalvat in many ways, and to the artists who live, work and teach at Montsalvat, for ensuring that Montsalvat continues to be a dynamic artistic community.

Rob Hauser CEO

Cultural Operations





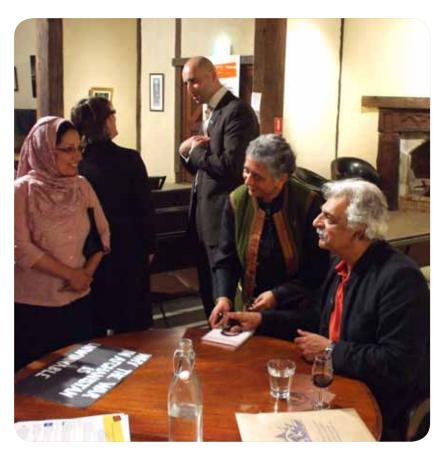
Hamer Quartet

Concerts

2009/10 has not only seen growth in the number of events presented, but an overall increase in diversity. There has also been further development of web-based publicity and relationship development with external bodies. Concerts maintained a strong focus on chamber music, with presentations by the Flinders Quartet, Seraphim Trio, Hamer Quartet and The Yarra Trio, as well as the continuation of the Young Performers' Series and Melbourne's Star Performer Series.

March saw Michael Harvey launch the new Yamaha Grand Piano with the music of Frank Zappa, in the 'Passions and Reflections' series, which also featured the percussionist David Jones and classical guitarist Timothy Kain. The Ted Vining jazz concerts were very well received by the public. We also formed a creative partnership with the Australian National Academy of Music and there were several concerts presented in the '20 Series' by talented young musicians.





left: 'Thought Pool' Peter Sword right: Tariq Ali book launch

Exhibitions

The Nillumbik Prize provided a pivotal point in the middle of the year for an exciting series of exhibitions. This year's Nillumbik Prize winner was Chris Pittard, with the People's Prize going to Penelope Aitken. Highlights among the year's exhibitions included works by Indigenous artist Jack Dale, 'For a Modern World'; 'Quintessentially Ming', which focussed on the work of Ming Bellamy Mackay 1918-2009; Nillumbik Artists' Group Exhibition, and the Wildlife Art Society of Australasia.

Literary Events

Book launches and literary conversations are a feature of the cultural program presented in partnership with the Eltham Bookshop. June was a particularly busy month with intensive sessions presented by writers Peter Rose and Rodney Hall, Adrian Hyland and Maria Tumarkin, the latter session also featuring the Mobius piano and cello duo. Other authors included Robert Manne, Anne Manne, Waleed Aly, Stephanie Alexander and Ramona Koval. These sessions are very popular and continue to attract large audiences.

Onsite Arts Tradition

Resident artists are at the heart of the Montsalvat tradition. Their presence demonstrates Montsalvat's strong commitment to a diversity of approaches to artistic practice, from painting and sculpture through to instrument making.

right: David Brown's shakuhachi flutes (detail) below: Chris Wynne's guitar. pic: Heather Davies





Luthier David Brown, after considerable acoustic research, is currently refining a new design for his violins. David is also in demand for his shakuhachi flutes, with orders currently in from Germany, North America and Japan. Jeweller Simon Baigent is working on several new commissions, including a range of gem-encrusted gold crosses. He is currently investigating the concept of obscurity to discover what it brings to the design process.

Montsalvat also houses an extremely popular onsite guitar-making course, where students come to work with Chris Wynne of Thomas Lloyd guitars, each making a personalised instrument, distinctive in both style and sound. A major factor in their design is the use of an unusual and broad range of Australian timbers.

Sculptor Matcham Skipper has completed a major commission for the Eltham Funeral Trust - a finely rendered male figure reaching up to touch Nillumbik's famous copper butterfly.

In the various studios around Montsalvat one can witness Angela Abbott, Don James, Jenni Mitchell and David Moore teaching aspiring painters with a range of skill levels and backgrounds. These art classes are held throughout the year. Resident Peter Connolly has experimented with clay in his sculptural practice and has mentored young artists. Ric Nelson continues to develop his own work and is shooting film of Montsalvat's artistic activities. Sue Thomas and Amy Skipper focus their work on couture dresses and an original range of clothing and furnishings.





left: Lachlan Plain
- Artist in Residence
above: Work by Susan Reddrop
- Artist in Residence

Artist in Residence

The new Artist in Residence program is now in full swing, with three residential studios being used. Artists who have been in residence over the last year include:

Professor Graham Hair composition

Bo Svoronos interdisciplinary arts

Calvin Bowman composition Ilona Glastonbury visual arts

Charly Harrison composition and performance

Saara Lamberg media and theatre

Tamara Dean visual arts

Susan Reddrop sculpture/mixed media

Vivian Hopkirk literature
Dena Ashbolt visual artist

Lachlan Plain puppeteer, writer, producer, director

Barbara Long writer

RMIT are currently looking at the development of a partnership with Montsalvat in this area to encourage their students, staff and international fellows to take up the opportunity.

Onsite Arts Tradition



Angela Abbott's art class student painting in the grounds of Montsalvat.



"Out of daydreams an idea surfaces to write the narrative of the life of a New Zealand Australian artist Godfrey Miller. He is the archetype of the artistic aesthetic exploring a philosophical landscape through colour and shape. To delve into this life, Miller's mind, the opportunity to access a haven like Montsalvat is a gift of time and milieu.

This gift provides a setting in keeping with the platonic ideals that obsessed Miller and allows me the freedom to pursue the writing time that so often eludes me in day to day life. In conjunction the residency is richly layered with connections to other artists and the opening of new literal and figurative grounds for dialogue and creative development. To enter Jörgensen's vision for a six week residency means my dreams have the promise of coming into being."

Barbara Long, Artist in Residence, 2010

Montsalvat has strong relationships with existing arts organisations in the area, including Nillumbik Shire Council and several school art programs. Ongoing relationships are maintained with University art programs through their artists taking part in art prizes and exhibitions. Discussions are currently underway with the Shire Council to examine and realise the potential for collaborative projects between the two organisations. This collaboration now includes the Red Chair Artist Talks, which take place every month, nurturing relationships between artists and audiences.

Commercial Operations





To support its arts activities, Montsalvat generates income from:

Functions (weddings, funerals, corporate functions)

Tourism and Education (entry fees, photo-shoots, school visits)

The Meeting Pool Restaurant

Rent (from the artists and craftspeople who live, work and teach at Montsalvat).

The events team has been successful throughout the 2009/2010 financial year. This can be attributed to several factors, including a more targeted approach to our advertising, improvement in dissemination of information via our website, and a continuing improvement in our professionalism.

The total revenue from Functions was \$1,133,858 as compared to \$1,028,292 in the previous financial year - an increase of 10.26%

Weddings remain the main financial strength of Montsalvat's commercial operations. By comparison with our other commercial operations, weddings account for 92.9% of sales. This is an increase of 11.2% from the previous year.

Corporate functions were still below numbers for the 2007/2008 financial year. This is attributable to the flow-on effects of uncertainty in the global financial markets as most companies continue to curb discretionary spending.

The Meeting Pool restaurant was refurbished during the year and is now open on Thursday, Friday and Saturday nights. Income has increased significantly and continuing improvements to the menu, marketing and service will ensure its ongoing strength.

Overall, Montsalvat's continued successes in the areas noted are a testament to its efforts to improve the quality and delivery of its commercial operations. This is clearly demonstrated in the volume of positive feedback received from clients and their guests in relation to their experience at Montsalvat.

"... the food was exceptional and the venue was perfect... what really stood out for me was the willingness of the whole team to go a step further in their service... it was obvious that the team has real passion for their work and it has left all of us with a truly memorable experience."

Amit Chandra, who has a hospitality background in fine dining and was wedding guest and MC at a Montsalvat wedding in March 2010



Heritage, Community and Tourism Operations

During 2009/2010 Montsalvat was visited by over 19,000 people.



above: The Gatehouse Studio pic: Richard Higgs right: The Great Hall pic: Field of Vision



Visitors came to see the historic buildings (many of them made from recycled materials), to learn about Montsalvat's rich artistic history, and to view works created at Montsalvat.

The 'Friends of Montsalvat' group has been very important in connecting our volunteers with the local community, and as a way of acknowledging the skills and enthusiasm that members of that community can contribute to Montsalvat.

A grant of \$250,000 from Heritage Victoria will enable much needed restoration work to be undertaken. The focus of these works will be on maintain and protecting the fabric of Montsalvat's heritage buildings. The work will primarily include roofing, drainage and fire protection.

Marketing



lan 'Huey' Hewitson shooting for his TV show with Montsalvat chef Steve Shing.



Branding

A new design was developed and applied to the Montsalvat website and monthly e-newsletters, to enhance access and impact.

New branding was created for the launch of The Meeting Pool restaurant, with a new logo appearing on signage and stationery.

Arts Calendar

A new printed brochure detailing each upcoming 6-month period was developed in order to showcase the diverse range of concerts, exhibitions and events held at Montsalvat. Concert and lunch / dinner packages were developed and promoted via the calendar.

Database

The number of unique e-mail addresses, including media contacts, on our database increased from 1,720 in July 2009 to 2,339 in June 2010. This vital marketing tool allows us to send e-newsletters and press releases to our contacts quickly and efficiently.







Marketing



left: Luthier Chris Wynne appears in The Age centre: Montsalvat website right: Matcham Skipper on the cover of the Diamond Valley Leader

Website

This continues to be a strong marketing tool, allowing us to describe upcoming arts events in detail and attract audiences by showcasing Montsalvat through stunning photographs. New sections for 'Artists in Residence' and 'Employment' have been added. The website has received over 64,000 visits during the 2009-2010 financial year.

Advertising

Montsalvat adverts appeared in the 2009-2010 Victoria's Cultural Guide brochure and the 2009 Yarra Valley Official Visitor's Guide.

Public Relations

Montsalvat was featured on TV shows Coxy's Big Break, Better Homes & Gardens and Huey's Cooking Adventures. Photo-shoots in *The Age* monthly *Melbourne Magazine* the *Herald Sun* (both appeared in September 2009) also increased our public profile, along with articles in local newspapers.

Weddings

A new strategy regarding wedding advertising was put in place, with an 18-month plan used to source strong discounts with both on-line and print media.

In Jan 2010, we ran a Montsalvat stand at the Australian Bridal Expo. This was followed up with a Bridal Open Day at Montsalvat later the same month. We received very positive feedback and 5 wedding bookings as a result.

Development





Montsalvat Foundation

Children's art class run by Sue Begg

The Montsalvat Foundation has been established to raise funding to promote and encourage the arts at Montsalvat by way of exhibitions, public concerts, lectures, workshops and master classes.

The Foundation is endorsed as a Deductible Gift Recipient; therefore we are able to issue tax receipts for any donations.

Private donations totalling \$11,303 were received during the year.

The formation of a Fundraising Committee of the Board will ensure that Montsalvat continues to explore private philanthropic opportunities.

Montsalvat Partnerships

Montsalvat's primary partnership during 2009/2010 was with Arts Victoria. The funding and support provided through this partnership has funded the Artistic Manager and Marketing Manager positions.

Partnerships with the following organisations have also been very valuable.

Heritage Victoria - building restoration funds

Nillumbik Shire Council - Nillumbik Prize and Red Chair Artist Talks

Copyright Agency Limited - Writing about Art and the Lives of Artists project

Eltham Bookshop - book launches, literary discussions and festivals

Koori Heritage Trust - exhibitions and workshops

Splash Art Studio - exhibitions by artists who have a mental illness

Australian National Academy of Music - concerts

Flinders Quartet - concerts

Universities - ongoing relationships are maintained with University art programs through their artists taking part in art prizes and exhibitions.

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Governance



Montsalvat Limited Board

The Board of Directors of Montsalvat Limited is comprised of nine people who are highly experienced in the arts and governance. The Directors are:

Morag Fraser AM (Chair) Chair of Australian Book Review, Miles Franklin Judge,

writer and former editor of Eureka Street magazine

Phillip Adams AO Australian broadcaster, film producer, writer, and social

commentator

Peter Connolly Managing Director of an innovative technology company

Catherine Dale CEO City of Boroondara, Board Member State Library of

Victoria

John Howie Special Counsel, Williams Winter Solicitors

Barry Jones AO Professorial Fellow at the University of Melbourne, Board

member of Victorian Opera

Max Jörgensen Company Director, farmer and inventor/developer of ideas

Sigmund Jörgensen Montsalvat Arts and Heritage Advisor

Allan Willingham Heritage Architect

A Montsalvat resident pic: Joshua Holko



Arts Advisory Board

The artistic direction of Montsalvat is guided by its Arts Advisory Board which is comprised of:

Rick Amor Artist, winner of the 2007 McClelland Sculpture Prize

Geraldine Barlow Curator and collections manager at the Monash

University Museum of Art

Tony Gould Pianist/composer, winner of the 2009 Don Banks Music

Award from the Australia Council for the Arts

Rodney Hall Writer, Miles Franklin winner, former chair of the

Australia Council

Sigmund Jörgensen Montsalvat Ltd Board Member

Genevieve Lacey Recorder virtuoso and artistic director

Michael Shmith The Age reviewer and leader writer

Amanda Smith ABC arts broadcaster

Peter Wegner Artist, winner of the 2006 Moran Portrait Prize

'Languide Line' Jenny Rodgerson



Staff and Volunteers



Staff

The staff of Montsalvat are committed to supporting its creative arts community, heritage buildings and grounds.

Chief Executive Officer Rob Hauser

Business and Finance Manager Helen Sheldon

Arts and Heritage Advisor Sigmund Jörgensen

Artistic Manager Simone de Haan

Arts Officer Sarah McLeish

Marketing Manager Claire Crawford

Events Lynda Kappadais

Vennesza Soosai Casey Schotterlein

Reception Sana Kojicin

Miriam White Katie Gierer

Building and Grounds Veronica Dapiran

Sandro Donati Dean Warner Broderick Carr

Restaurant Andrew Procter

Stephen Shing Dan Jesser







Volunteers

Montsalvat is indebted to the following volunteers, who have donated their time to provide a wide range of work and services:

Simon Baigent Fabienne Hayes Joan Pickard David Brown Kristian Rasmussen Naomi Hauser Don Brown Rob Hauser Mike Ridley Di Bullen Jill Holmes **Bob Rusling** Sarah Chapman Sue Hopwood Adam Skipper Ted Clohesy Cliff Howard August Skipper Peter Connolly Maurice Hurry Lena Skipper Helen Costello Rhiannon Jörgensen Doug Spoor Simone de Haan Tony Strachan Saxon Jörgensen Sandro Donati Leonie Thomas Sandy Kilpatrick Blossom Foenander Sue Thomas Katherine Kingsbury Gwen Ford Jane Trikojus Sana Kojicin Brady Freeman Irene Trusinkis Ruth Leaming Frances McAlister Michael G Dennis Warren Vincent Galante Ric Nelson Morriss Watson Michelle Gaudion Pauline Ng Jenny Wegner John Graty Scott Nye Lydia Wegner Josh Wood Maddy Hakins Anne Padgham

Ed Harris Mac Page Jennifer Woodgate

In 2009/2010, volunteers contributed 1136 hours of their time to Montsalvat.







Financial Statements

MONTSALVAT TRUST AND CONTROLLED ENTITIES (TRUSTEE: MONTSALVAT LTD) A.B.N. 80 726 654 249

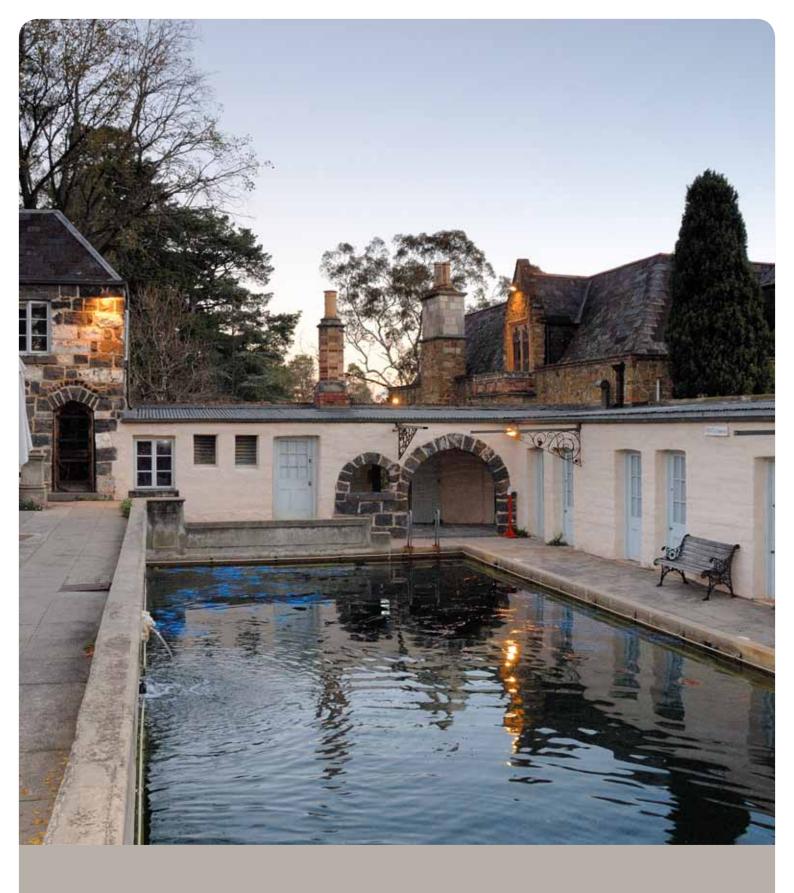
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
SALES		
Cafe	608,610	533,169
Functions	1,137,003	1,028,292
The Arts	102,526	117,820
Tourism & education	122,320	125,311
Rent received	63,138	62,193
	2,033,597	1,866,785
LESS: COST OF GOODS SOLD		
Cafe / functions	496,227	473,052
The Arts	72,392	78,818
Tourism & education	2,923	3,210
	571,541	555,081
GROSS PROFIT FROM TRADING	1,462,056	1,311,704
OTHER INCOME		
Interest received	3	1,875
Donations	16,303	-
Arts Victoria funding	100,000	175,000
Other funding	40,250	26,000
Other income	2	7,866
	156,558	210,741
	1,618,613	1,522,445
EXPENSES		
Administration expenses	8,621	4,542
Advertising expenses	22,963	42,650
Cleaning, laundry & dry-cleaning	49,663	44,467
Consultancy fees	85,756	143,495
Depreciation	24,805	17,505
Employee expenses	1,041,270	913,912
Finance expenses	27,576	41,919
Insurance	36,240	46,893
Occupancy expenses	58,441	66,959
Other expenses	54,878	53,469
Professional fees	24,157	23,814
Repairs & maintenance	89,069	65,415
Small equipment & consumables	11,820	16,938
Sub-contractors	82,091	24,179
	1,617,351	1,506,156
Operating Profit (Loss) before abnormal items	1,263	16,289
Abnormal items	(10)	
Employee expenses	(77,949)	
	(77,949)	
Profit (Loss) after Abnormal Items	(76,686)	16,289

MONTSALVAT TRUST AND CONTROLLED ENTITIES (TRUSTEE: MONTSALVAT LTD) A.B.N. 80 726 654 249

BALANCE SHEET AS AT 30 JUNE 2010

	2010 \$	2009 \$
CHARL CARITAL AND DECERVES / TRUCT FUNDS		
SHARE CAPITAL AND RESERVES / TRUST FUNDS 100 Fully Paid Ordinary Shares of \$1		_
Trust corpus	109,205	109,205
Reserves	8,377,505	8,377,505
Retained earnings (Accumulated losses)	(440,175)	(363,489)
TOTAL SHARE CAPITAL AND RESERVES	8,046,535	8,123,221
Represented by:		
CURRENT ASSETS		
Cash and cash equivalents	144,361	22,547
Trade and other receivables	38,073	126,576
Inventories Other current assets	34,617 28,614	27,116 969
TOTAL CURRENT ASSETS	245,665	177,208
NON CURRENT ASSETS		
Fixed Assets		
Property, plant and equipment	4,494,196	4,452,219
Antiques and artwork	4,308,171	4,308,171
Total Fixed Assets	8,802,367	8,760,390
TOTAL NON CURRENT ASSETS	8,802,367	8,760,390
TOTAL ASSETS	9,048,032	8,937,598
CURRENT LIABILITIES		
Loan - M. Jorgensen	_	-
Sundry Creditors	-	-
Trade and other payables	162,708	153,085
Employee entitlements	58,528	79,083
Income received in advance	159,714	155,058
Government grants received in advance	187,500	
TOTAL CURRENT LIABILITIES	568,450	387,225
NON OURRENT LIARUITIES		
NON CURRENT LIABILITIES Employee entitlements	143,047	37,152
Borrowings	290,000	390,000
Australian Securities Limited Mortgage	-	-
TOTAL NON CURRENT LIABILITIES	433,047	427,152
TOTAL LIABILITIES	1,001,497	814,377
NET ASSETS	8,046,535	8,123,221
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Montsalvat

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www.montsalvat.com.au

Long term resident Peter Connolly died on 22 December 2010. Peter was a Trustee of Montsalvat, a Board Member, a friend and mentor to resident artists and a great supporter of Montsalvat's vision. We mourn his passing and extend our sincere condolences to Peter's family.