

Castlemaine Art Gallery and Historical Museum Foundation

ABN 62 205 045 901

Financial Statements - 30 June 2024

Castlemaine Art Gallery and Historical Museum Foundation

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30 June 2024

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Castlemaine Art Gallery and Historical Museum Foundation

Trustees' report

30 June 2024

Your trustees present their report of the Castlemaine Art Gallery and Historical Museum Foundation (the Foundation) for the year ended 30 June 2024.

Trustees

The following persons were Trustees of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

William Ian Maltby
Emma Busowsky

George Amos Milford

Principal Activities

The trustees hold land, buildings, collections and intellectual property in trust for the purposes of the Castlemaine Art Gallery & Historical Museum for the benefit of the public. The trustees also administer particular funds for the same purposes in relation to the same land, buildings, collections and museum.

Operating Result

The surplus/(deficit) of the Foundation for the financial year was:

	2024	2023
	\$	\$
Surplus/(deficit)	<u>(17,577)</u>	<u>4,406</u>

Review of Operations

The Foundation has had close co-operation between the Foundation Trustees and the staff and board of Castlemaine Art Museum (CAM) through two joint committees: the Building Committee and the Collections Committee.

During the year the Foundation has commissioned and funded:

- an asbestos audit
- upgrade of the sub-switchboard
- replacement of fluorescent tubes with LED in all back of house areas
- upgrade of air-conditioning systems
- essential safety measure audit.

The progress made by the Collections Committee is encouraging. It is felt that reinstatement of this committee was a positive step towards developing relationships with potential donors to CAM. The Foundation will facilitate and fund (if necessary) the paperwork and valuation of art works offered under the Tax Incentives for the Arts scheme. The trustees welcome the promulgation of the joint Policy of the CAM Board and the CAGHM Foundation's trustees in respect of Collection, Acquisition, Accession and De-accession.

The Foundation holds specific bequest funds which carry the stipulation that the funds, or the earnings therefrom, are to be used to acquire works of art, including: The Lois Sheldon Bequest, The Percy Leason Fund, The T C Stewart Bequest, the BT Sinclair Bequest, the Martyn McCabe Bequest and the Joan Aspinall Bequest.

The trustees will readily provide funds to CAM Ltd to acquire works of art as per the CAM Ltd Collections Strategy.

The trustees continue to look toward the implementation of the stage one Art Museum redevelopment foreshadowed in the Victorian State Budget of 2022/2023. The trustees, along with all other stakeholders, passionately desire to see Castlemaine Art Museum upgraded. We were present during the 2023 visit of the Hon. Daniel Andrews, then Premier of the State, who said he was very keen on finally achieving disabled access to the Art Museum. That component of the project is the flagship for the upgrade. Alterations to the premises that enhance visitor experience, encourage more community use and make for more efficient operation remain on the Foundation's agenda.

The trustees note the progress toward realisation of the Buda Historic Home and Garden Master Plan completed in late 2022, with the trustees' approval, the incorporate association seeks to progress its tourism infrastructure development project to investment ready status. In the meantime, the Buda committee, with grant funds, is progressing a Significance Assessment of the Leviny Collection and renovations of the various outbuildings.

Castlemaine Art Gallery and Historical Museum Foundation

Trustees' report

30 June 2024

The trustees noted the editorial claim made in the recent 'Arts Open' publicity to the effect that "*Castlemaine and the Mount Alexander Shire now boast the highest number of artists per capita in Australia and is a vibrant community with an eclectic mix of people, and a broad range of historical, culinary, artistic and social opportunities for visitors*". It is felt that both CAM and Buda are leaders in this sector, with a collection unequalled for any small regional centre, both being venues that have provoked, encouraged and inspired the creatives that are the special feature of our community.

Significant Changes

In the opinion of the trustees there were no significant changes in the state of affairs of the Foundation that occurred in the financial year under review not otherwise disclosed in this report.

After Balance Date Events

There have been no events after the end of the financial year that would materially affect the financial statements.

Environmental Issues

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification and Insurance of Trustees

Under the Foundation's Trust Deed the trustees are indemnified out of the Foundation's assets for any loss or liability incurred by them in properly performing or exercising any of their powers, duties or rights in relation to the Foundation. The Foundation has not provided any insurance for an auditor of the Foundation or related body corporate.

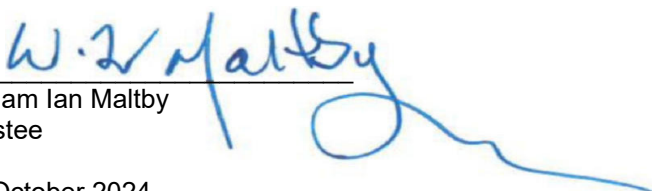
Proceedings on Behalf of the Foundation

No person has applied for leave of Court to bring proceedings on behalf of the Foundation or intervene in any proceedings.


The Foundation was not a party to any such proceedings during the period.

The Foundation may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Foundation are important.

Signed in accordance with a resolution of the Trustees.



William Ian Maltby
Trustee



George Amos Milford
Trustee

25 October 2024

Castlemaine Art Gallery and Historical Museum Foundation
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue and other income	3	57,073	27,006
Unrealised gain on investments	9	23,086	21,435
Depreciation expense	4	(15,932)	(19,819)
Repairs and maintenance		(31,518)	(11,243)
Audit & legal fees		(11,370)	(10,435)
Valuations		(1,650)	-
Loss on disposal of financial assets		(845)	-
Donation to Castlemaine Art Museum		(32,045)	-
Other expenses		(4,376)	(2,538)
Surplus/(deficit) for the year		(17,577)	4,406
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		1,500,000	-
Other comprehensive income for the year		1,500,000	-
Total comprehensive income for the year		<u>1,482,423</u>	<u>4,406</u>

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Castlemaine Art Gallery and Historical Museum Foundation
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	5	62,677	60,748
Trade and other receivables	6	25,767	16,994
Investments	7	531,207	556,088
Total current assets		<u>619,651</u>	<u>633,830</u>
Non-current assets			
Property, plant and equipment	8	27,035,321	25,532,603
Financial assets	9	209,911	218,302
Total non-current assets		<u>27,245,232</u>	<u>25,750,905</u>
Total assets		<u>27,864,883</u>	<u>26,384,735</u>
Liabilities			
Current liabilities			
Trade and other payables	10	8,000	10,275
Total current liabilities		<u>8,000</u>	<u>10,275</u>
Total liabilities		<u>8,000</u>	<u>10,275</u>
Net assets		<u>27,856,883</u>	<u>26,374,460</u>
Equity			
Asset reserves		4,300,089	2,800,089
Retained surpluses		<u>23,556,794</u>	<u>23,574,371</u>
Total equity		<u>27,856,883</u>	<u>26,374,460</u>

The above Statement of financial position should be read in conjunction with the accompanying notes

Castlemaine Art Gallery and Historical Museum Foundation
Statement of changes in equity
For the year ended 30 June 2024

	Asset Reserves	Retained Surpluses	Total equity
	\$	\$	\$
Balance at 1 July 2022	2,800,089	23,569,965	26,370,054
Surplus for the year	-	4,406	4,406
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	4,406	4,406
Balance at 30 June 2023	<u>2,800,089</u>	<u>23,574,371</u>	<u>26,374,460</u>
	Asset Reserves	Retained Surpluses	Total equity
	\$	\$	\$
Balance at 1 July 2023	2,800,089	23,574,371	26,374,460
Deficit for the year	-	(17,577)	(17,577)
Other comprehensive income for the year	1,500,000	-	1,500,000
Total comprehensive income for the year	1,500,000	(17,577)	1,482,423
Balance at 30 June 2024	<u>4,300,089</u>	<u>23,556,794</u>	<u>27,856,883</u>

The above Statement of changes in equity should be read in conjunction with the accompanying notes

Castlemaine Art Gallery and Historical Museum Foundation
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Bequests and donations received		2,731	246
Payments to suppliers and employees		(86,257)	(20,558)
Dividends received		14,567	11,835
Interest received		15,375	10,118
		<u> </u>	<u> </u>
Net cash from/(used in) operating activities	11	<u>(53,584)</u>	<u>1,641</u>
Cash flows from investing activities			
Proceeds from disposal of/(payments for) investments		24,881	(1,641)
Proceeds from disposal of financial assets		30,632	-
		<u> </u>	<u> </u>
Net cash from/(used in) investing activities		<u>55,513</u>	<u>(1,641)</u>
Net increase in cash and cash equivalents		1,929	-
Cash and cash equivalents at the beginning of the financial year		<u>60,748</u>	<u>60,748</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>62,677</u></u>	<u><u>60,748</u></u>

The above Statement of cash flows should be read in conjunction with the accompanying notes

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 1. Summary of material accounting policies

The accounting policies that are material to the Foundation are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of Preparation

The trustees of the Castlemaine Art Gallery and Historical Museum Foundation (the Foundation) have prepared the financial statements on the basis that the Foundation is a non-reporting entity. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of trustees.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the needs of trustees. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless stated otherwise in the notes.

The financial statements were authorised for issue on 25 October 2024 by the trustees of the Foundation.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 124 *Related Party Transactions*
- AASB 1048 *Interpretation of Standards*
- AASB 1054 *Australian Additional Disclosures*.

Adoption of new and revised accounting standards

The Foundation has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the Foundation during the current financial year is outlined below:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the Foundation in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the Foundation to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the Foundation's financial statements. Rather, adoption has required the Foundation to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Financial Instruments

The Foundation's financial instruments consist mainly of deposits with banks, investments in ASX listed companies, receivables and payables.

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 1. Summary of material accounting policies (continued)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets are classified at amortised cost. The Foundation does not utilise hedging instruments.

Classifications are determined by both:

- the Foundation's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Foundation's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

The Foundation makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Foundation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Classification and subsequent measurement of financial liabilities

The Foundation's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. The Foundation does not utilise derivative financial instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Critical Estimates and Judgement

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. These areas involving a higher degree of judgement or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

In the application of the Foundation's accounting policies, which are described in Note 1, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 1. Summary of material accounting policies (continued)

Estimation of useful lives of assets

The Foundation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

The Foundation hold the following items of property, plant and equipment which the Trustees have assessed to be cultural or heritage assets which meet the recognition criteria under AASB 116: *Property, Plant and Equipment*:

- Art Collections
- Buildings

The Trustees have concluded these assets have an unlimited useful life and therefore is not subject to depreciation.

Note 2. Change to comparative figures

Classification of term deposits

During the year the Trustees reviewed the requirements of AASB 107 *Statement of Cash Flows* and noted term deposits normally qualify as a cash and cash equivalent only when they have initial investment periods of three months or less. In previous financial years the company classified all term deposits as cash and cash equivalents in the preparation of the even if they had initial investment periods greater than three months.

In the preparation of the financial statements for the current financial year, the Trustees updated its accounting policy to align to the requirements of AASB 107, restating comparatives figures to reclassify term deposits with initial investment periods greater than three months as current investments instead of cash and cash equivalents in the Statement of financial position.

The change in classification had the following impacts on comparative figures:

- Cash and cash equivalents decreased and investments increased by \$556,088 at 30 June 2023 as reported in the Statement of financial position.
- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

The change in classification had no impact on the company's net profit or net asset position.

Note 3. Revenue and other income

	2024	2023
	\$	\$
Interest on investments	21,811	10,118
Bequests and donations received	20,695	-
Dividends received	10,200	11,835
Franking credit refunds	4,367	5,053
	<hr/>	<hr/>
Total revenue and other income	<u>57,073</u>	<u>27,006</u>

Accounting policy for revenue and other income

The foundation recognises revenue as follows:

Interest income

Interest income is recognised using the effective interest method.

Investment income

Investment income is recognised once received.

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 3. Revenue and other income (continued)

Dividend income

Dividend income is recognised once received.

Donation income

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the Statement of Financial Position.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Note 4. Key expense items

	2024	2023
	\$	\$
Depreciation expense		
Furniture and fittings	8,996	12,883
Plant and equipment	<u>6,936</u>	<u>6,936</u>
Total depreciation expense	<u><u>15,932</u></u>	<u><u>19,819</u></u>

Accounting policy for depreciation expense

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment carried at cost over their expected useful lives as follows:

Plant and equipment	10-40 years
Fixtures and fittings	3-40 years
Art collections	Unlimited
Heritage buildings	Unlimited

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Foundation. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 5. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	<u>62,677</u>	<u>60,748</u>

Note 6. Trade and other receivables

	2024	2023
	\$	\$
Accrued income	<u>25,767</u>	<u>16,994</u>

Note 7. Investments

	2024	2023
	\$	\$
Term deposits	<u>531,207</u>	<u>556,088</u>

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 8. Property, plant and equipment

	2024 \$	2023 \$
Land and buildings - at valuation	8,300,000	6,800,000
Art collection - at valuation	17,172,810	17,154,160
Art collection at valuation (gifted artworks)	1,307,962	1,307,962
	<u>18,480,772</u>	<u>18,462,122</u>
Plant and equipment - at cost	83,543	83,543
Less: Accumulated depreciation	(50,137)	(43,201)
	<u>33,406</u>	<u>40,342</u>
Fixtures and fittings - at cost	355,986	355,986
Less: Accumulated depreciation	(134,843)	(125,847)
	<u>221,143</u>	<u>230,139</u>
Total property, plant and equipment	<u><u>27,035,321</u></u>	<u><u>25,532,603</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & Buildings \$	Art Collection \$	Plant & Equipment \$	Furniture & Fittings \$	Total \$
Balance at 1 July 2023	6,800,000	18,462,122	40,342	230,139	25,532,603
Additions	-	18,650	-	-	18,650
Revaluation increments	1,500,000	-	-	-	1,500,000
Depreciation expense	-	-	(6,936)	(8,996)	(15,932)
Balance at 30 June 2024	<u><u>8,300,000</u></u>	<u><u>18,480,772</u></u>	<u><u>33,406</u></u>	<u><u>221,143</u></u>	<u><u>27,035,321</u></u>

Accounting policy for property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated impairment losses.

Land and buildings

At 30 June 2024, the trustees have resolved to revalue the land and buildings based on Australian Bureau of Statistics Index 3020 relating to Non-Residential Construction, Victoria. Index rates have increased from 106.4 in 2020 (the date of the last valuation) to 131.2 at 30 June 2024. Given the 23% movement in index rates, management have applied a 23% increase to the value of the land and buildings. This valuation is therefore classified as a Trustee revaluation.

Plant and equipment

Plant and equipment is measured on a cost basis less accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually by Trustees 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.

Art collection

The art collection is measured at fair value and is based on a valuation by the former Gallery Director as at 30 September 2012.

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 9. Financial assets

	2024 \$	2023 \$
Shares in ASX listed corporations	<u>209,911</u>	<u>218,302</u>
<i>Movements in carrying amounts</i>		
Carrying amount at beginning	218,302	196,867
Disposals	(31,477)	-
Unrealised gains/(losses) in financial assets	<u>23,086</u>	<u>21,435</u>
Carrying amount at end	<u>209,911</u>	<u>218,302</u>

Accounting policy for financial assets

Investments in equity instruments are held for medium- to long-term planned purposes and are not held for trading. The Foundation has elected to designate the investments in equity instruments as at fair value through profit or loss. Refer to Note 1 for the Foundations accounting policy for financial instruments.

Note 10. Trade and other payables

	2024 \$	2023 \$
Accrued expenses	<u>8,000</u>	<u>10,275</u>

Note 11. Statement of cash flows

Reconciliation of surplus/(deficit) to net cash provided by operating activities

	2024 \$	2023 \$
Surplus/(deficit) for the year	(17,577)	4,406
Adjustments for:		
Depreciation	15,932	19,819
Net loss on disposal of non-current assets	845	-
Donations of property, plant and equipment	(18,650)	-
Unrealised gain/(loss) on investments	(23,086)	(21,435)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(8,773)	(4,807)
Increase/(decrease) in trade and other payables	<u>(2,275)</u>	<u>3,658</u>
Net cash from/(used in) operating activities	<u>(53,584)</u>	<u>1,641</u>

Note 12. Trustee and related party disclosures

The names of the Trustees who have held office during the financial year and on the date of this report are:

- William Ian Maltby
- George Amos Milford
- Emma Busowsky

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2024

Note 12. Trustee and related party disclosures (continued)

From time to time the Trustees and their families, in the normal course of business,

- make donations to the Foundation (the entity),
- make donations to the Castlemaine Art Museum
- make donations to Buda Historic Home and Garden Inc.,
- provide voluntary, honorary and professional services to the entity, gratis.
- may be reimbursed for out-of-pocket expenses incurred for the benefit of the entity.

The Trustees have studied guidance notes issued by Australian Charities and Not-for-Profits Commission and, in accordance with that guidance, understand that the above-listed related-party transactions are not reportable as they are on the same terms as for any dealings between those entities and the public and they do not substantially influence either entity's decisions or activities.

No Trustee has received remuneration for their services as the positions are held on a voluntary basis.

No Trustee or related entity has entered into a material contract with the entity.

Note 13. Asset reserves

The asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to land, buildings and art collections.

At 30 June 2024 the Trustees undertook a trustee valuation which identified a \$1,500,000 increment representing expected movements in fair value of land and buildings from the date of the previous valuation performed in June 2020.

Note 14. Contingent liabilities

There were no contingent liabilities at the date of this report to affect the financial statements (2023: nil).

Note 15. Capital commitments

There are no known capital commitments for the Foundation as at 30 June 2024 (2023: nil).

Note 16. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 17. Registered office/principal place of business

The registered office and principal place of business is:

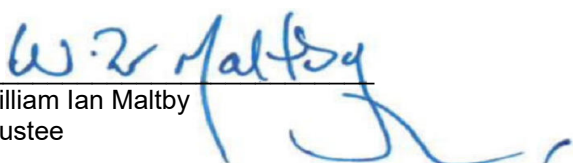
14 Lyttleton Street
Castlemaine VIC 3450

**Castlemaine Art Gallery and Historical Museum Foundation
Trustees' declaration
30 June 2024**


The Trustees of the Foundation declare that:

- The financial statements and notes are in accordance with the accounting policies as described in Note 1 of the financial statements and give a true and fair view of the Foundation's financial position as at 30 June 2024 and of its performance for the year ended on that date, and
- In the trustees' opinion there are reasonable grounds to believe that the foundation will be able to pay its debts as and when they become due and payable.

On behalf of the Trustees



William Ian Maltby
Trustee



George Amos Milford
Trustee

25 October 2024

Independent Auditor's Report to the Members of Castlemaine Art Gallery and Historical Museum Foundation

Report on the audit of the financial statements

Qualified opinion

In our opinion the accompanying financial report of Castlemaine Art Gallery and Historical Museum Foundation, being a special purpose financial report, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the trust's financial position as at 30 June 2024 and of its performance for the year ended on that date and
- ii. complying with the accounting policies described in Note 1 of the financial report.

Basis for qualified opinion

1. The Castlemaine Art Gallery and Historical Museum Foundation's art collection is carried in the Statement of Financial Position at \$18,480,772 as at 30 June 2024. The balance is measured at fair value based on a valuation by the former Gallery Director as at 30 September 2012. We were unable to obtain a valuation to substantiate the value adopted in the Statement of Financial Position as at 30 June 2024. In addition, based on the age of the valuation we cannot conclude that it still provides an accurate reflection of the collection's current value.
2. Castlemaine Art Gallery and Historical Museum Foundation measure land and buildings at fair value whereby independent valuations are required with sufficient regularity to ensure the fair value recognised within the financial statements accurately reflect the fair value at balance date. At 30 June 2024, the Trustees undertook a Trustee valuation by applying Australian Bureau of Statistics (ABS) Index's from the date of the previous valuation and recognised a \$1.5m increment to the fair value of land and buildings. We were unable to confirm the ABS index rates provided a materially correct approach to revalue the land and buildings.

What we have audited

Castlemaine Art Gallery and Historical Museum Foundation (the trust) financial report comprises the:

- statement of financial position as at 30 June 2024
- statement of profit or loss and other comprehensive income for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes comprising a summary of significant accounting policies and other explanatory notes, and
- the certification by the trustee's that the annual statements give a true and fair view of the financial position of the trust.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Basis of accounting and restriction on distribution

Without further modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Castlemaine Art Gallery and Historical Museum Foundation to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Independence

We are independent of the trust in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Trustee's responsibility for the financial report

The trustee's of the trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with the accounting policies described in Note 1 of the financial report and the *Australian Charities and Not-for-profits Commission Act 2012* and for such controls as the trustee's determine are necessary to enable preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 25th day of October 2024



Joshua Griffin
Lead Auditor



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Lead auditor's independence declaration under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Castlemaine Art Gallery and Historical Museum Foundation

As lead auditor for the audit of Castlemaine Art Gallery and Historical Museum Foundation for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 25th day of October 2024

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

Joshua Griffin
Lead Auditor