

Castlemaine Art Gallery and Historical Museum Foundation

ABN 62 205 045 901

Financial Statements - 30 June 2023

Castlemaine Art Gallery and Historical Museum Foundation

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Castlemaine Art Gallery and Historical Museum Foundation

Trustees' report

30 June 2023

Your trustees present their report of the Castlemaine Art Gallery and Historical Museum Foundation (the Foundation) for the year ended 30 June 2023.

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:

	2023	2022
	\$	\$
Surplus/(deficit)	4,406	(68,655)

Review of Operations

The Foundation is starting to benefit from rising interest rates and improving yields on the invested funds held under the terms of the various bequests.

Expenditure on repairs and maintenance of the Lyttleton Street premises was at a level similar to the preceding year. This year saw the repair of the plaster following a ceiling leak in the art store. Sundry electrical and plumbing works were carried out as and when required. An electrical compliance assessment was also undertaken. Expenditure to upgrade the electrical switchboard has been carried out since year end. Replacement of fluorescent lights with LED units has been commissioned. At the Hunter Street premises the Trustees note that conservation-based window treatments were undertaken as well as the replacement of a carpet under a grant.

The Trustees have been grateful to read two recent, scholarly, 'fine-grained' accounts of the north-facing façade of the museum. Thank you to Dr Evan Tindall for the paper on the issues to be dealt with on the faced and to James McArdle who has written on Orlando Dutton's bas relief. All of the "reflections" published by Castlemaine Art Museum are worthwhile reading and add to our (already high) opinion of the Art Museum building and collection as a great civic treasure.

It was pleasing to learn of the completion of Dr Sophie Couchman's' Significance Assessment of the Social History/Brotherton Museum collection. This comprehensive document sits alongside Kirsty Grant's October 2020 Art Collection Significance Assessment. Both of these documents confirm our belief that the Art Museum houses and where possible displays truly worthy art works and cultural objects of immense value.

Recent discussions with stakeholders have developed the concept of a new model of organisation aimed at closer alignment of the operations of the Foundation and the Art Museum. The scope and detail of such a future mode of operation will necessitate in-depth investigation. The Trustees are open to consideration of what are, as yet, only conceptual proposals.

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.

**Castlemaine Art Gallery and Historical Museum Foundation
Trustees' report
30 June 2023**

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 Company

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
20 October 2023



George Amos Milford
Trustee

Castlemaine Art Gallery and Historical Museum Foundation
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Total revenue and other income	2	27,006	80,128
Unrealised gain/(loss) on investments	7	21,435	(21,070)
Art prize	3	-	(70,000)
Repairs and Maintenance		(11,243)	(11,982)
Architect and consultant fees		(1,680)	(11,600)
Audit & Legal Fees		(10,435)	(7,675)
Depreciation and amortisation expense	3	(19,819)	(22,404)
Valuations		-	(3,257)
Insurance expense		(858)	(795)
Surplus/(deficit) before income tax expense		4,406	(68,655)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year		4,406	(68,655)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>4,406</u>	<u>(68,655)</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 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	616,836	615,195
Trade and other receivables	5	16,994	12,187
Total current assets		<u>633,830</u>	<u>627,382</u>
Non-current assets			
Property, plant and equipment	6	25,532,603	25,552,422
Financial assets	7	218,302	196,867
Total non-current assets		<u>25,750,905</u>	<u>25,749,289</u>
Total assets		<u>26,384,735</u>	<u>26,376,671</u>
Liabilities			
Current liabilities			
Trade and other payables	8	10,275	6,617
Total current liabilities		<u>10,275</u>	<u>6,617</u>
Total liabilities		<u>10,275</u>	<u>6,617</u>
Net assets		<u>26,374,460</u>	<u>26,370,054</u>
Equity			
Asset reserves		2,800,089	2,800,089
Retained surpluses		<u>23,574,371</u>	<u>23,569,965</u>
Total equity		<u>26,374,460</u>	<u>26,370,054</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 2023

	Reserves	Retained Surpluses	Total equity
	\$	\$	\$
Balance at 1 July 2021	2,800,089	23,638,620	26,438,709
Deficit after income tax expense for the year	-	(68,655)	(68,655)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(68,655)	(68,655)
Balance at 30 June 2022	<u>2,800,089</u>	<u>23,569,965</u>	<u>26,370,054</u>

	Reserves	Retained Surpluses	Total equity
	\$	\$	\$
Balance at 1 July 2022	2,800,089	23,569,965	26,370,054
Surplus after income tax expense for the year	-	4,406	4,406
Other comprehensive income for the year, net of tax	-	-	-
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>

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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Bequests and donations received		246	5,561
Payments to suppliers and employees		(20,558)	(104,992)
Interest received		10,118	3,338
		<u> </u>	<u> </u>
Net cash used in operating activities	9	<u>(10,194)</u>	<u>(96,093)</u>
Cash flows from investing activities			
Dividends received		11,835	12,344
		<u> </u>	<u> </u>
Net cash from investing activities		<u>11,835</u>	<u>12,344</u>
		<u> </u>	<u> </u>
Net cash from financing activities		-	-
		<u> </u>	<u> </u>
Net increase/(decrease) in cash and cash equivalents		1,641	(83,749)
Cash and cash equivalents at the beginning of the financial year		615,195	698,944
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	4	<u><u>616,836</u></u>	<u><u>615,195</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 2023

Note 1. Summary of Significant accounting policies

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 20 October 2023 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 *Cash Flow Statements*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1031 *Materiality*
- AASB 1054 *Australian Additional Disclosures.*

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.

Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the statement of cash flows on a net basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Foundation retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

Financial Instruments

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

Note 1. Summary of Significant 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.

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2023

Note 1. Summary of Significant accounting policies (continued)

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.

Note 2. Revenue and other income

	2023	2022
	\$	\$
Interest on investments	10,118	3,338
Dividends received	11,835	18,052
Franking credit refunds	5,053	7,690
Donation art work	-	50,000
Share capital refund	-	1,048
	<hr/>	<hr/>
Total revenue and other income	<u>27,006</u>	<u>80,128</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.

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 3. Key expense items

	2023	2022
	\$	\$
Art prize	<hr/>	<hr/>
	-	70,000

In the 2021/22 financial year, the gallery ran the biennial competition to win the Len Fox Painting Award worth \$50,000. \$20,000 was also paid to Castlemaine Art Museum for the delivery of the prize.

	2023	2022
	\$	\$
Depreciation expense		
Furniture and fittings	12,883	15,468
Plant and equipment	6,936	6,936
	<hr/>	<hr/>
Total depreciation expense	<u>19,819</u>	<u>22,404</u>

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:

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2023

Note 3. Key expense items (continued)

Plant and equipment	10-40 years
Fixtures and fittings	3-40 years

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 4. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	15,714	2,944
Short-term bank deposits	122,311	122,311
Bequest and special purpose fund investments	478,811	489,940
	<u>616,836</u>	<u>615,195</u>

Accounting policy for cash and cash equivalents

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

Note 5. Trade and other receivables

	2023	2022
	\$	\$
Accrued income	16,994	12,187
	<u>16,994</u>	<u>12,187</u>

Accounting policy for accrued income

Accrued income represents amounts that CAGHM have established the right to receive payment for but have not yet received payment.

Note 6. Property, plant and equipment

	2023	2022
	\$	\$
Land and buildings - at valuation	6,800,000	6,800,000
Art collection - at valuation	17,154,160	17,154,160
Art collection at valuation (gifted artworks)	1,307,962	1,307,962
	<u>18,462,122</u>	<u>18,462,122</u>
Plant and equipment - at cost	83,543	83,543
Less: Accumulated depreciation	(43,201)	(36,265)
	<u>40,342</u>	<u>47,278</u>
Fixtures and fittings - at cost	355,986	355,986
Less: Accumulated depreciation	(125,847)	(112,964)
	<u>230,139</u>	<u>243,022</u>
Total property, plant and equipment	<u>25,532,603</u>	<u>25,552,422</u>

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2023

Note 6. Property, plant and equipment (continued)

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 2022	6,800,000	18,462,122	47,278	243,022	25,552,422
Additions	-	-	-	-	-
Depreciation expense	-	-	(6,936)	(12,883)	(19,819)
Balance at 30 June 2023	<u>6,800,000</u>	<u>18,462,122</u>	<u>40,342</u>	<u>230,139</u>	<u>25,532,603</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

Land and buildings are measured per the valuation report completed by a real estate agent in Castlemaine as at 28 June 2020.

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.

Note 7. Financial assets

	2023 \$	2022 \$
Shares in ASX listed corporations	<u>218,302</u>	<u>196,867</u>
<i>Movements in carrying amounts</i>		
Carrying amount at beginning	196,867	211,181
In specie dividend from BHP	-	6,756
Unrealised gains/(losses) in financial assets	<u>21,435</u>	<u>(21,070)</u>
Carrying amount at end	<u>218,302</u>	<u>196,867</u>

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.

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2023

Note 8. Trade and other payables

	2023	2022
	\$	\$
Accrued expenses	10,275	6,617
Total trade and other payables	<u>10,275</u>	<u>6,617</u>

Accounting policy for accrued expenses

Accrued expenses represent expenses incurred by the Foundation prior to the end of the financial year for which an obligation to transfer consideration has not yet been established.

Note 9. Statement of cash flows

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

	2023	2022
	\$	\$
Surplus/(deficit) after income tax expense for the year	4,406	(68,655)
Dividends received	(11,835)	(12,344)
<i>Adjustments for non-cash items:</i>		
Depreciation and amortisation	19,819	22,404
In specie dividend from BHP	-	(6,756)
Unrealised gain/(loss) on investment	(21,435)	21,070
Donated artwork	-	(50,000)
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	(4,807)	(2,129)
Increase/(decrease) in payables	3,658	317
Net cash used in operating activities	<u>(10,194)</u>	<u>(96,093)</u>

Castlemaine Art Gallery and Historical Museum Foundation
Notes to the financial statements
30 June 2023

Note 10. 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

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 11. 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.

Note 12. Contingent liabilities

There were no contingent liabilities at the date of this report to affect the financial statements (2022: nil).

Note 13. Capital commitments

There are no known capital commitments for the Foundation as at 30 June 2023 (2022: nil).

Note 14. 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 15. Registered office/principal place of business

The registered office and principal place of business is:

Registered office

14 Lyttleton Street
Castlemaine VIC 3450

Principal place of business

14 Lyttleton Street
Castlemaine VIC 3450

**Castlemaine Art Gallery and Historical Museum Foundation
Trustees' declaration
30 June 2023**

The Trustees of the Foundation declare that:

- The financial statements and notes, as set out on pages 4 to 14, 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 2023 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
20 October 2023



George Amos Milford
Trustee

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

Report on the audit of the financial statements

Qualification

The Castlemaine Art Gallery and Historical Museum Foundation and Buda's art collection is carried in the Statement of Financial Position at \$18,462,122 as at 30 June 2023. The majority of 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 2023. 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.

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 2023 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.

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 2023
- 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.



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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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.



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- 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.

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, 3550
Dated this 20th day of October 2023

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

Joshua Griffin
Lead Auditor