
Castlemaine Art Gallery and Historical Museum Foundation

ABN: 62 205 045 901

Financial Statements

For the year ended 30 June 2021

Castlemaine Art Gallery and Historical Museum Foundation

For the year ended 30 June 2021

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Castlemaine Art Gallery and Historical Museum Foundation Trustees' Report

Your trustees present their report of the Castlemaine Art Gallery and Historical Museum Foundation (the Foundation) for the year ended 30 June 2021.

Trustees

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

William Ian Maltby

George Amos Milford

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

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:

30 June 2021	30 June 2020
\$	\$
19,530	(31,186)

This was determined before other comprehensive income in the current year of \$nil (2020: \$600,000).

Review of Operations

The isolation measures and restrictions due to the pandemic did not materially affect operations of the Foundation. As predicted last year, cash receipts from investments were reduced in the period under review. During the previous year the Foundation had funded a program of repairs integral to the revitalisation of the Art Museum. Repair costs met by the Foundation during the current year were more modest than in the prior twelve months.

It had been expected the market value of the Foundation's shareholdings would decrease in alignment with the economic effects of the pandemic. However, the value of the Foundation invested funds rose due to the relative attractiveness of returns on shares as compared to the near-zero rate of interest on term deposits. This market-value rise was sufficient to generate an overall surplus of \$19,530 compared to a deficit of \$31,186 in the year 2019/2020.

During June 2020 the trustees applied for Living Heritage funding to conserve the front façade and commission a Heritage Masterplan for the Art Museum. The Trustees are grateful to Heritage Architect Amanda Jean who provided comprehensive support to the Trustees in compiling these applications.

Castlemaine Art Gallery and Historical Museum Foundation Trustees' Report

Review of Operations (continued)

By letter of 16th November 2020 Hon Richard Wynne, Minister for Planning, offered a grant of \$85,000 for conservation works, namely repairs to the parapet and replacement of defective valley gutters, parapet flashing and drainage to limit further water ingress on the Castlemaine Art Museum (CAM). Rendercorp Pty Ltd will undertake the bulk of the work. The works will be completed by October 2021. The trustees have every confidence in Rendercorp as this firm has previously carried out heritage restoration work at Buda Historic Home. It is pleasing to report that Amanda Jean is undertaking the Project Management.

Funding for development of a Masterplan for the gallery premises was awarded to CAM and the work has been carried out by John Wardle Architects, under the supervision of a steering committee which included the Trustees. This project is an opportunity to identify the vision for the building, to bring the physical setting of the museum into alignment with the Strategic Plan and to articulate the future functional requirements of the museum – both the overarching operational requirements and the detailed requirements for each space. The Trustees wholeheartedly endorse the recommendation of the Masterplan.

The Foundation has authorised, and funded, a contract for base model scans, of the Art Museum building, including cross sections and elevations, together with a land feature level survey. This work, which was carried out by Cardno TGM, will provide an authoritative basis for the Masterplan, a Dilapidation Report, a Conservation Management Plan, formal public-sector funding applications and, in a simplified manner, for publicity and art museum annual reports.

The Trustees thank the Buda Committee of Management and, in particular, Ms Laretta Zilles, for their administration of the series of Living Heritage Grant Repairs carried out over recent years. The repairs thus effected have significantly improved the presentation of the historic home. It is noted that 17th October will mark the passage of forty years since the passing of Miss Hilda Leviny, an event which triggered the commencement of active public management of this nationally significant property.

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

The trustees have commissioned Cardno/TGM to undertake a structural audit of the Art Museum premises. The engineers' report was commenced after balance date and should become available before the end of September. This report will provide an authoritative basis for future structural works and inform relevant grant applications.

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

Castlemaine Art Gallery and Historical Museum Foundation Trustees' Report

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.

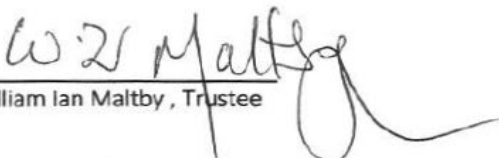
Proceedings on Behalf of the Company

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


George Amos Milford, Trustee

Dated this 10th day of September 2021

Castlemaine Art Gallery and Historical Museum Foundation

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue	2	37,576	53,753
Repairs and maintenance		(8,668)	(20,056)
Architect and consultant fees		(23,199)	(8,194)
Audit and legal fees		(7,090)	(6,175)
Depreciation expense	3	(25,426)	(25,362)
Unrealised gain/(loss) on investments	7(a)	47,049	(23,994)
Transfer to Buda Historic Homestead and Garden		-	(302)
Sundry expense		(712)	(856)
Surplus/(deficit) before income tax		19,530	(31,186)
Income tax expense	1(b)	-	-
Surplus/(deficit) after income tax expense		19,530	(31,186)
Other comprehensive income		-	600,000
Total comprehensive surplus/(deficit)		19,530	568,814

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 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	4	698,944	706,133
Trade and other receivables	5	10,058	5,792
Total current assets		709,002	711,925
Non-current assets			
Property, plant and equipment	6	25,524,826	25,550,252
Financial assets	7	211,181	164,132
Total non-current assets		25,736,007	25,714,384
Total assets		26,445,009	26,426,309
Current liabilities			
Trade and other payables	8	6,300	7,130
Total current liabilities		6,300	7,130
Net assets		26,438,709	26,419,179
Equity			
Retained earnings		23,638,620	23,619,090
Reserves		2,800,089	2,800,089
Total equity		26,438,709	26,419,179

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 2021

	Retained Earnings \$	Reserves \$	Total Equity \$
Balance at 1 July 2019	23,650,276	2,200,089	25,850,365
Deficit attributed to the Foundation	(31,186)	-	(31,186)
Other comprehensive income:			
Revaluation gain	-	600,000	600,000
Total comprehensive income attributable to members of the entity for the year	(31,186)	600,000	568,814
Balance at 30 June 2020	23,619,090	2,800,089	26,419,179
Surplus attributed to the Foundation	19,530	-	19,530
Other comprehensive income:			
Revaluation gain	-	-	-
Total comprehensive income attributable to members of the entity for the year	19,530	-	19,530
Balance at 30 June 2021	23,638,620	2,800,089	26,438,709

Castlemaine Art Gallery and Historical Museum Foundation

Statement of Cash Flows

For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Bequests and donations received		19,812	31,114
Payments to suppliers and employees		(40,499)	(65,153)
Interest received		7,316	14,579
Net cash used in operating activities	9	(13,371)	(19,460)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(23,926)
Dividends received		6,182	8,252
Net cash provided by / (used in) investing activities		6,182	(15,674)
Net decrease in cash held		(7,189)	(35,134)
Cash and cash equivalents at the beginning of the financial year		706,133	741,267
Cash and cash equivalents at the end of the financial year	4	698,944	706,133

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

For the Year Ended 30 June 2021

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 10th September 2021 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* and AASB 1054: *Australian Additional Disclosures*.

Going concern

The Foundation has closing cash balances of \$698,944, however \$573,083 of this is encumbered special purpose bequests and investments. Therefore these funds are unable to be used for day-to-day operating expenditure of the Foundation. The trustees of the Foundation have estimated a loss for the next financial year, however believe there is enough cash assets to cover the Foundation's operations for at least the next 12 months.

Despite this, the cash position casts material uncertainty on the ability of the Foundation to pay its debts as and when they fall due.

The Foundation made a \$19,530 profit for the year ended 30 June 2021 and used \$13,371 cash in operating activities. The Foundation have budgeted for a \$61,256 loss in the 2021/22 financial year, with an expected total unencumbered cash position of \$3,084 as at 30 June 2021.

The trustees have reviewed the financial position of the Foundation, its cash flows, liquidity position and access to borrowing facilities. The trustees' forecasts and projections, taking into account reasonable measures to reduce expenditure and improve profitability, indicate that the Foundation will be able to operate within the level of its current facility. This will allow the Foundation to meet its current obligations.

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Going concern (continued)

After making enquiries and considering the uncertainty described above, the trustees believe that the Foundation has adequate resources to continue to pay its debts as and when they fall due for the foreseeable future. As such, the Foundation continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(a) Revenue

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).

(b) 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*.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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.

(d) 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.

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(e) 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 replacement value 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 Gallery Director as at 30 September 2012.

(f) 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.

(g) Financial Instruments

The Foundation's financial instruments consist mainly of deposits with banks, receivables and payables.

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.

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Classification and 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 into amortised costs. The Foundation does not utilise hedging instruments.

Classifications are determined by both:

- the Foundation's business model for managing the financial asset
- 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.

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(h) Trade Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) 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.

Note 2. Revenue	2021 \$	2020 \$
Interest on investments	7,316	14,579
Bequests and donations received	20,022	-
Dividends received	6,182	8,252
Franking credit refunds	2,649	8,372
Donation art work	-	22,550
Other income	1,407	-
Total revenue	37,576	53,753
Note 3. Key expense items		
Depreciation expense		
- Furniture & fittings	18,490	18,427
- Plant & equipment	6,936	6,935
Total depreciation expense	25,426	25,362

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Note 4. Cash and Cash Equivalents		
Cash at bank and on hand	3,550	24,960
Short-term bank deposits	122,311	122,311
Bequest and special purpose fund investments	573,083	558,862
Total cash and cash equivalents	<u>698,944</u>	<u>706,133</u>
Note 5. Trade and Other Receivables		
Accrued income	10,058	5,792
Total trade and other receivables	<u>10,058</u>	<u>5,792</u>
Note 6. Property, Plant and Equipment		
Land and buildings		
At valuation	<u>6,800,000</u>	<u>6,800,000</u>
Furniture and fittings		
At cost	355,986	355,986
Less: accumulated depreciation	(97,496)	(79,006)
	<u>258,490</u>	<u>276,980</u>
Plant and equipment		
At cost	83,543	83,543
Less: accumulated depreciation	(29,329)	(22,393)
	<u>54,214</u>	<u>61,150</u>
Art collection		
At valuation	17,154,160	17,154,160
At valuation (gifted artworks)	1,257,962	1,257,962
	<u>18,412,122</u>	<u>18,412,122</u>
Total property, plant and equipment	<u>25,524,826</u>	<u>25,550,252</u>

Land and buildings are measured per the valuation report completed by a real estate agent in Castlemaine as at 28 June 2020. The art collection and furniture and fittings that are measured at fair value are 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

For the Year Ended 30 June 2021

Note 6. Property, Plant and Equipment (continued)

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings	Furniture & Fittings	Plant & Equipment	Art Collection	Total
2020	\$	\$	\$	\$	\$
Balance at 30 June 2019	6,200,000	295,407	68,085	18,388,197	24,951,689
Revaluation surplus	600,000	-	-	-	600,000
Additions	-	-	-	23,925	23,925
Depreciation expense	-	(18,427)	(6,935)	-	(25,362)
Carrying amount at 30 June 2020	6,800,000	276,980	61,150	18,412,122	25,550,252
2021					
Balance at 30 June 2020	6,800,000	276,980	61,150	18,412,122	25,550,252
Revaluation surplus	-	-	-	-	-
Additions	-	-	-	-	-
Depreciation expense	-	(18,490)	(6,936)	-	(25,426)
Carrying amount at 30 June 2021	6,800,000	258,490	54,214	18,412,122	25,524,826

	2021	2020
Note 7. Financial Assets	\$	\$
Shares in ASX listed corporations	211,181	164,132
Total financial assets	211,181	164,132
<i>(a) Movements in carrying amounts</i>		
Carrying amount at beginning	164,132	188,126
Additions	-	-
Disposals	-	-
Unrealised gains/(losses) in financial assets	47,049	(23,994)
Carrying amount at end	211,181	164,132
Note 8. Trade and Other Payables		
Accrued expenses	6,300	7,130
Total trade and other payables	6,300	7,130

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Note 9. Statement of Cash Flows		
<i>Reconciliation of surplus/(deficit) to net cash provided by operating activities</i>		
Operating loss	19,530	(31,186)
Add back depreciation	25,426	25,363
Non cash items:		
Unrealised gain/(loss) on investment	(47,049)	23,993
Dividends received	(6,182)	(8,252)
Changes in assets and liabilities:		
- (Increase)/decrease in receivables	(4,266)	192
- Increase/(decrease) in payables	(830)	(29,570)
Net cash flows used in operating activities	<u>(13,371)</u>	<u>(19,460)</u>

Note 10. Trustee and Related Party Disclosures

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

William Ian Maltby
George Amos Milford

From time to time, the trustees donate money to the Castlemaine Art Museum in the normal course of business.

No trustee or related entity has entered into a material contract with the Foundation. No trustee fees have been paid as the positions are held on a voluntary basis.

Note 11. Asset Reserves

The asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to assets that are classified as available-for-sale.

Note 12. Contingent Liabilities

There were no contingent liabilities at the date of this report to affect the financial statements.

Note 13. Capital Commitments

There are no known capital commitments for the Foundation as at 30 June 2021.

Castlemaine Art Gallery and Historical Museum Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 14. Events After the Balance Sheet Date

There have been no further 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

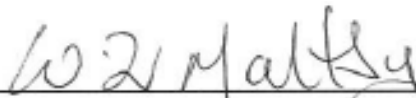
14 Lyttleton Street
Castlemaine VIC 3450

Castlemaine Art Gallery and Historical Museum Foundation Trustees' Declaration

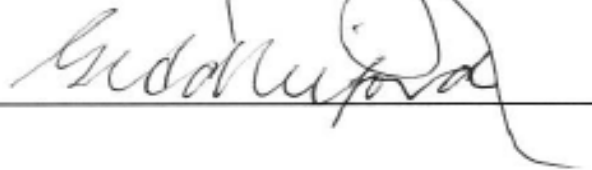
The Trustees of the Foundation declare that:

- 1 The financial statements and notes, as set out on pages 4 to 16, 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 2021 and of its performance for the year ended on that date; and
- 2 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.

William Ian Maltby



George Amos Milford



Dated this 10th day of September 2021

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 \$18,412,122 as at 30 June 2021. 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 2021. 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 2021 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 2021
- 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.

Material uncertainty related to going concern

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the trust incurred a net profit of \$19,530 during the year ended 30 June 2021 and, as of that date, the current liabilities do not exceed current assets, however the amount of unencumbered funds is reducing making it difficult for the trust to cover its operating expenses. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt as to the trust's ability to continue as a going concern and therefore, the trust may be unable to realise its assets and discharge its liabilities in the normal course of business.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 10th day of September 2021



Joshua Griffin
Lead Auditor