

# **Shepparton Art Museum Ltd**

ABN: 63 614 545 498

## **Financial Statements**

For the Year Ended 30 June 2022

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

Financial Report

For the Year Ended 30 June 2022

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# Shepparton Art Museum Ltd

ABN: 63 614 545 498

## Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 30 June 2022

|  | Note | 2022<br>\$       | 2021<br>\$       |
|--|------|------------------|------------------|
| <b>Operating Activities</b>                        |      |                  |                  |
| Revenue  | 2    | 3,774,764        | 4,132,386        |
| Employee benefits expense                          |      | (1,675,110)      | (1,035,660)      |
| Depreciation expense                               |      | (1,884)          | -                |
| Facilities expenses                                |      | (210,998)        | (37,949)         |
| Exhibition expenses                                |      | (420,143)        | (89,377)         |
| Public programs expenses                           |      | (62,397)         | (19,988)         |
| Stock purchases and retail expenses                |      | (11,157)         | (19,066)         |
| Education expenses                                 |      | (20,407)         | (12,803)         |
| Collection expenses                                |      | (80,072)         | (64,418)         |
| Business services expenses                         |      | (579,330)        | (295,892)        |
| Other expenses                                     |      | (86,581)         | (1,210)          |
| Donations - SAM Building Fund                      |      | (816,964)        | (1,718,036)      |
| <b>Surplus/(deficit) from operating activities</b> |      | <u>(190,279)</u> | <u>837,987</u>   |
| <b>Capital activities</b>                          |      |                  |                  |
| Donated artworks                                   | 2    | 458,124          | 1,321,488        |
| <b>Surplus from capital activities</b>             |      | <u>458,124</u>   | <u>1,321,488</u> |
| <b>Surplus for the year</b>                        |      | <u>267,845</u>   | <u>2,159,475</u> |
| <b>Other comprehensive income</b>                  |      |                  |                  |
| Revaluation changes for Art collection             |      | 267,012          | -                |
| <b>Total comprehensive income for the year</b>     |      | <u>534,857</u>   | <u>2,159,475</u> |

The accompanying notes form part of these financial statements.

# Shepparton Art Museum Ltd

ABN: 63 614 545 498

## Statement of Financial Position

As at 30 June 2022

|                                      | Note | 2022<br>\$       | 2021<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>Current assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 3    | 1,108,511        | 1,522,094        |
| Trade and other receivables          | 4    | 83,812           | 76,921           |
| Inventories                          |      | 29,953           | -                |
| Other assets                         | 5    | 33,005           | -                |
| <b>Total current assets</b>          |      | <b>1,255,281</b> | <b>1,599,015</b> |
| <b>Non-current assets</b>            |      |                  |                  |
| Plant and equipment                  | 6    | 36,743           | -                |
| Art collection                       | 5    | 2,222,287        | 1,358,540        |
| <b>Total non-current assets</b>      |      | <b>2,259,030</b> | <b>1,358,540</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>3,514,311</b> | <b>2,957,555</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>Current liabilities</b>           |      |                  |                  |
| Trade and other payables             | 7    | 328,029          | 388,295          |
| Provisions                           | 8    | 93,954           | 65,309           |
| Other liabilities                    | 9    | 302,403          | 241,369          |
| <b>Total current liabilities</b>     |      | <b>724,386</b>   | <b>694,973</b>   |
| <b>Non-current liabilities</b>       |      |                  |                  |
| Provisions                           | 8    | 39,922           | 47,436           |
| <b>Total non-current liabilities</b> |      | <b>39,922</b>    | <b>47,436</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>764,308</b>   | <b>742,409</b>   |
| <b>NET ASSETS</b>                    |      | <b>2,750,003</b> | <b>2,215,146</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Reserves                             | 10   | 1,588,500        | -                |
| Accumulated surpluses                |      | 1,161,503        | 2,215,146        |
| <b>TOTAL EQUITY</b>                  |      | <b>2,750,003</b> | <b>2,215,146</b> |

The accompanying notes form part of these financial statements.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Statement of Changes in Equity

For the Year Ended 30 June 2022

### 2022

|                                   | Accumulated<br>Surpluses | Donated<br>Artworks<br>Reserve | Asset<br>Revaluation<br>Reserve | Total            |
|-----------------------------------|--------------------------|--------------------------------|---------------------------------|------------------|
|                                   | \$                       | \$                             | \$                              | \$               |
| Balance at 1 July 2021            | 2,215,146                | -                              | -                               | 2,215,146        |
| Surplus/(deficit) for the year    | 267,845                  | -                              | -                               | 267,845          |
| Transfer to/(from) reserves       | (1,321,488)              | 1,321,488                      | -                               | -                |
| Revaluation increment/(decrement) | -                        | -                              | 267,012                         | 267,012          |
| <b>Balance at 30 June 2022</b>    | <b>1,161,503</b>         | <b>1,321,488</b>               | <b>267,012</b>                  | <b>2,750,003</b> |

### 2021

|                                | Accumulated<br>Surpluses | Donated<br>Artworks<br>Reserve | Asset<br>Revaluation<br>Reserve | Total            |
|--------------------------------|--------------------------|--------------------------------|---------------------------------|------------------|
|                                | \$                       | \$                             | \$                              | \$               |
| Balance at 1 July 2020         | 55,671                   | -                              | -                               | 55,671           |
| Surplus for the year           | 2,159,475                | -                              | -                               | 2,159,475        |
| <b>Balance at 30 June 2021</b> | <b>2,215,146</b>         | <b>-</b>                       | <b>-</b>                        | <b>2,215,146</b> |

The accompanying notes form part of these financial statements.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Statement of Cash Flows

For the Year Ended 30 June 2022

|  | Note | 2022<br>\$              | 2021<br>\$              |
|--|------|-------------------------|-------------------------|
| <b>Cash from operating activities:</b>                 |      |                         |                         |
| Receipts from customers, donors and others             |      | 333,443                 | 193,380                 |
| Receipts from philanthropic donations                  |      | 1,473,615               | 1,961,905               |
| Receipt of government grants                           |      | 2,271,731               | 2,393,479               |
| Payments to suppliers and employees                    |      | (3,498,221)             | (1,604,174)             |
| Payment of contributions                               |      | (816,964)               | (1,718,036)             |
| Interest received                                      |      | 51                      | 75                      |
| Finance costs  |      | -                       | (59)                    |
| <b>Net cash used in operating activities</b>           | 12   | <u>(236,345)</u>        | <u>1,226,570</u>        |
| <b>Cash flows from investing activities:</b>           |      |                         |                         |
| Payment for acquisition of artworks                    |      | (138,611)               | (37,052)                |
| Purchase of property, plant and equipment              |      | (38,627)                | -                       |
| <b>Net cash used by investing activities</b>           |      | <u>(177,238)</u>        | <u>(37,052)</u>         |
| <b>Net Cash decreases in cash and cash equivalents</b> |      | <b>(413,583)</b>        | 1,189,518               |
| Cash and cash equivalents at beginning of year         |      | <u>1,522,094</u>        | <u>332,576</u>          |
| <b>Cash and cash equivalents at end of year</b>        | 3    | <u><u>1,108,511</u></u> | <u><u>1,522,094</u></u> |

The accompanying notes form part of these financial statements.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its annual financial statements. These financial statements are therefore special purpose financial statements. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 *Australian Charities and Not-For-Profits Commission Regulation 2013* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

#### 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*, and AASB 1054: *Australian Additional Disclosures*.

The Company has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures.

These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards. The significant accounting policies adopted in the special purpose financial statements are set out below.

#### Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (a) Comparative Figures

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

#### (b) Income Tax

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

Shepparton Art Museum Ltd is also a registered charity with the Australian Charities and Not-for-profits Commission.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 Statement of Significant Accounting Policies

#### (c) Impairment of Assets

At the end of each reporting period, directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit and loss and other comprehensive income.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of a class of asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

#### (d) Revenue

##### Contributed assets

The company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.



# Shepparton Art Museum Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 Statement of Significant Accounting Policies

#### (d) Revenue

##### Operating grants, donations and bequests

When the company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grants;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

##### Interest income

Interest income is recognised using the effective interest method.

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

#### (e) 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 original maturities of six months or less and bank overdrafts.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 Statement of Significant Accounting Policies

#### (f) Plant and Equipment

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

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

| <b>Class of Fixed Asset</b>      | <b>Depreciation Rate</b> |
|----------------------------------|--------------------------|
| Plant and Equipment              | 10%                      |
| Furniture, Fixtures and Fittings | 10%                      |
| Office Equipment                 | 25%                      |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss.

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

#### (g) Artworks

Artworks are initially recorded at fair value. Fair value is the purchase price for purchased artworks or the independent valuation for donated artworks.

A full independent valuation of the collection will be carried out on a 3 yearly basis. The last valuation was undertaken on 2 March 2022.

Artworks are not amortised or depreciated as they are generally expected to appreciate in value.

Works of art on loan or provided to the company on a non-enduring stewardship arrangement are not disclosed as assets of the company. Industry standards stipulate that the company must maintain and insure all works of art held.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 Statement of Significant Accounting Policies

#### (h) 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).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (i) Trade and other receivables

Trade and other receivables include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### (j) Trade and Other Payables

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

#### (k) Employee Benefits

##### Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

##### Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 Statement of Significant Accounting Policies

#### (I) Leases

##### *Concessionary leases*

The Company has one peppercorn lease in relation to property. For leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives (commonly known as peppercorn/concessionary leases), the Company has adopted this relief under AASB 16 and measures the right-of-use assets at cost on initial recognition.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Revenue and other income

|  | 2022             | 2021             |
|--|------------------|------------------|
|  | \$               | \$               |
| Operating activities                         |                  |                  |
| - Retail sales - SAM Shop                    | 90,401           | 18,296           |
| - Donations - SAM Building Fund              | 816,964          | 1,718,036        |
| - Donations - Operational & Art Acquisitions | 576,651          | 243,869          |
| - Grants                                     | 2,239,239        | 2,151,669        |
| - Other revenue                              | 51,509           | 516              |
| <b>Total Revenue</b>                         | <b>3,774,764</b> | <b>4,132,386</b> |
| Other Income                                 |                  |                  |
| Capital activities                           |                  |                  |
| - Donated artworks (at fair value)           | 458,124          | 1,321,488        |
| <b>Total other income</b>                    | <b>458,124</b>   | <b>1,321,488</b> |

### 3 Cash and Cash Equivalents

|              |                  |                  |
|--------------|------------------|------------------|
| Cash on hand | 300              | 300              |
| Cash at bank | 1,108,211        | 1,521,794        |
|              | <b>1,108,511</b> | <b>1,522,094</b> |

### 4 Trade and Other Receivables

#### CURRENT

|                   |               |               |
|-------------------|---------------|---------------|
| Trade receivables | 81,470        | 60,446        |
| GST receivable    | 2,342         | 16,475        |
|                   | <b>83,812</b> | <b>76,921</b> |

# Shepparton Art Museum Ltd

ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 5 Other Assets

|                    | 2022             | 2021             |
|--------------------|------------------|------------------|
|                    | \$               | \$               |
| <b>CURRENT</b>     |                  |                  |
| Prepaid insurance  | 33,005           | -                |
|                    | <u>33,005</u>    | <u>-</u>         |
| <b>NON-CURRENT</b> |                  |                  |
| Art collection     | 2,222,287        | 1,358,540        |
|                    | <u>2,222,287</u> | <u>1,358,540</u> |

### 6 Property, Plant and Equipment

|  |                      |                 |
|--|----------------------|-----------------|
| Property, Plant and Equipment              |                      |                 |
| Plant and equipment                        |                      |                 |
| At cost                                    | 15,150               | -               |
| Accumulated depreciation                   | (799)                | -               |
| Total plant and equipment                  | <u>14,351</u>        | <u>-</u>        |
| Furniture, fixtures and fittings           |                      |                 |
| At cost                                    | 12,058               | -               |
| Accumulated depreciation                   | (320)                | -               |
| Total furniture, fixtures and fittings     | <u>11,738</u>        | <u>-</u>        |
| Office equipment                           |                      |                 |
| At cost                                    | 11,418               | -               |
| Accumulated depreciation                   | (764)                | -               |
| Total office equipment                     | <u>10,654</u>        | <u>-</u>        |
| <b>Total property, plant and equipment</b> | <u><u>36,743</u></u> | <u><u>-</u></u> |

### 7 Trade and Other Payables

|                          |                |                |
|--------------------------|----------------|----------------|
| <b>CURRENT</b>           |                |                |
| Trade and other payables | 328,029        | 388,295        |
|                          | <u>328,029</u> | <u>388,295</u> |

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 8 Provisions

|                                     | 2022          | 2021          |
|-------------------------------------|---------------|---------------|
|                                     | \$            | \$            |
| <b>CURRENT</b>                      |               |               |
| Annual leave                        | 71,216        | 50,189        |
| Long service leave                  | 22,738        | 15,120        |
| <b>Total current provisions</b>     | <u>93,954</u> | <u>65,309</u> |
| <b>NON-CURRENT</b>                  |               |               |
| Long service leave                  | 39,922        | 47,436        |
| <b>Total non-current provisions</b> | <u>39,922</u> | <u>47,436</u> |

### 9 Other Liabilities

|                   |                |                |
|-------------------|----------------|----------------|
| <b>CURRENT</b>    |                |                |
| Government grants | 302,403        | 241,369        |
|                   | <u>302,403</u> | <u>241,369</u> |

### 10 Reserves

#### Asset revaluation reserve

The asset revaluation reserve records fair value movements for artworks held under the revaluation model.

#### Donated Artworks Reserve

Records the value of works of art donated or bequeathed to the company. Subsequent revaluations of the works of art are recognised in the Asset revaluation reserve

### 11 Auditors' Remuneration

The auditor's remuneration for the audit of Shepparton Art Museum Ltd for the year ended 30 June 2022 totals \$11,100.

# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Summary of Significant Accounting Policies

For the Year Ended 30 June 2022

### 12 Cash Flow Information

#### Reconciliation of cash flow from operations with result for the year

|  | 2022             | 2021             |
|--|------------------|------------------|
|  | \$               | \$               |
| Result for the year                                | 267,845          | 2,159,475        |
| <b>Non-cash flows in result</b>                    |                  |                  |
| Depreciation and amortisation                      | 1,884            | -                |
| Donated artworks                                   | (458,124)        | (1,321,488)      |
| <b>Changes in assets and liabilities</b>           |                  |                  |
| (Increase)/decrease in trade and other receivables | (6,891)          | (76,921)         |
| (Increase)/decrease in inventories                 | (29,953)         | -                |
| (Increase)/decrease in other assets                | (33,005)         | -                |
| Increase/(decrease) in trade payables and accruals | (60,266)         | 188,295          |
| Increase/(decrease) in income in advance           | 61,034           | 241,369          |
| Increase/(decrease) in provisions                  | 21,131           | 35,840           |
| <b>Cashflow from operations</b>                    | <b>(236,345)</b> | <b>1,226,570</b> |

### 13 Economic Dependence

The company is dependent upon ongoing receipt of Local Government grants and community and philanthropic donations to ensure the ongoing continuance of its exhibition, education and public programs. At the date of this report management has no reason to believe this financial support will not continue.

### 14 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### 15 Company Details

#### Registered office

The registered office of the company is:

Shepparton Art Museum Ltd  
530 Wyndham Street  
Shepparton VIC 3630



# Shepparton Art Museum Ltd

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ABN: 63 614 545 498

## Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Company declare that:

1. In their opinion, the financial statements and notes for the year ended 30 June 2022 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements; and
  - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Stephen Merrylees

Director

  
Naomi Ryan

Dated this 16th day of December 2022

## Shepparton Art Museum Ltd

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ABN: 63 614 545 498

### Auditor's Independence Declaration under Section 60.40 of the Australian Charities and Not-for-Profits Commission Act 2012

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60.40 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.

  
Saward Dawson



Jeffrey Tulk  
Partner

Blackburn VIC  
Dated: 20 December 2022

## Shepparton Art Museum Ltd

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ABN: 63 614 545 498

### Independent Audit Report to the members of Shepparton Art Museum Ltd

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Shepparton Art Museum Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of income and expenditure and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, the Australian Charities and Not-for-profits Commission Act 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### 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 are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical 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.

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

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## Shepparton Art Museum Ltd

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ABN: 63 614 545 498

### Independent Audit Report to the members of Shepparton Art Museum Ltd

#### Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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.

## Shepparton Art Museum Ltd

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ABN: 63 614 545 498

### Independent Audit Report to the members of Shepparton Art Museum Ltd

- 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.

  
Saward Dawson



Jeffrey Tulk  
Partner

Blackburn VIC  
Dated: 20 December 2022