



Art Gallery Society of New South Wales

ABN: 26 000 207 198

Financial Statements

For the Year Ended 31 December 2020

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Contents

For the Year Ended 31 December 2020

	Page
Financial Statements	
Councillors' Report	1
Auditors Independence Declaration	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Councillors' Declaration	26
Independent Audit Report	27
Auditor's Disclaimer	30
Unaudited Statement of Income and Expenditure	31

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report 31 December 2020

Councillors' Report

Your Councillors present their report on the Art Gallery Society of New South Wales (the 'Society'), a company limited by guarantee, for the year ended 31 December 2020.

Councillors

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

Brian Greenacre (President)
Paula Latos-Valier AM (Vice President)
Susan Jackson (Treasurer)
Dr Michael Brand (ex officio, Art Gallery of NSW Director)
Andrea Brown (Councillor) (Appointed 8 April 2020)
Susan Dadswell (Councillor)
Hon Ashley Dawson-Damer AM (ex officio, Art Gallery of NSW Trustee)
Anastasia Economou (Councillor)
Jenny Green (Councillor)
Brian Ladd (Councillor)
David Sharpe (Councillor) (Resigned 8 April 2020)
Jo-Ann Smith (Councillor)

No Councillors of the Society are former auditors.

Objectives

The Society is an independent membership organisation that exists to support the Art Gallery of NSW (the "Art Gallery").

Our vision is to be the leader in art museum membership. Our mission is to support the Art Gallery by: building a vibrant membership community; inspiring and engaging members and the wider community with the Art Gallery; creating diverse and stimulating experiences for members; and contributing financially to the Art Gallery.

The Society provides material support to the Art Gallery in the form of financial contributions for the acquisition of works of art and for other purposes including scholarships, programs, exhibitions and, currently, the renovation of the Members' Lounge.

The Society develops, serves and communicates with an active and committed membership that provides a core audience, advocacy and support for the Art Gallery. It also assists the Art Gallery's activities through the support of experienced volunteers from its membership.

Strategy

For 2020 to 2022, the Society has set strategic goals to: cultivate membership loyalty, growth and diversity; develop and populate an integrated CRM; create a state-of-the-art membership facility; enrich the Art Gallery collections, programs and projects by contributing financially, including to Sydney Modern; and maximise our strategic partnerships.

The Society always aims to align its strategy with that of the Art Gallery.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Strategy (continued)

The Society raises income through membership subscriptions and donations, events, tours, sponsorship, educational programs and fund-raising initiatives. Its operating surplus goes to members' funds to support the Art Gallery's: acquisition of works of art; its Art After Hours program; exhibitions and events through sponsorship; and request for other financial support as agreed.

Principal activities

The principal activities of the Society during the year involved providing the Art Gallery with a core audience of art lovers who are committed to the institution through their membership, and who are also ambassadors for the Art Gallery in the wider community.

The impact of COVID-19 and NSW Government mandated restrictions on public gatherings saw significant changes to the Society's activities with the cancellation of event, lecture and travel programs, and the creation and provision of online activities in their stead.

In response to the closure of the Art Gallery from 23 March to 1 June 2020, current members, as at 1 April 2020, were awarded a three-month extension of membership.

Despite the challenges of the pandemic environment, membership numbers were substantially maintained with 19,475 (2019: 20,325) financial members at the close of the year.

Membership benefits

The quality of membership benefits remains key in attracting new members and ensuring loyalty to the Art Gallery.

Many of the usual benefits were adapted in the COVID-19 environment to ensure continued engagement with members. Online communications increased and included 'at home' activities such as online lectures, online events, and art competitions.

As COVID-19 restrictions eased, the Society recommenced many of its usual lectures and events from September onwards, albeit with reduced capacity and strictly following health and safety requirements. There were 167 events (2019: 481 events) during the year. They included lectures, talks, workshops, concerts, exhibition tours and viewings, with a particular emphasis on online learning opportunities about art history and other fields of culture.

The international program of World Art Tours was cancelled and reframed as a domestic travel program with tours commencing from October onwards, reporting income of \$43,816 (2019: \$373,089).

The Society published six bi-monthly issues of its members' magazine, Look.

In delivering its program of activities, the Society is supported by sponsors and in the most challenging of years, the Society sincerely thanks Renaissance Tours, Faber-Castell, the Sir William Dobell Art Foundation and Online Induction for their financial support and Manly Spirits and Faber-Castell for their in-kind support.

The Society also wishes to acknowledge and thank those generous members who showed their concern and support in such a difficult year. Member donations increased in the year to \$144,899 (2019: \$116,580).

Collection Circle continued its important fundraising program for the Society. Funds raised annually through direct donations by many loyal individual members are directed toward the purchase of art works for the Art Gallery.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Financial assistance and art acquisitions

The total financial assistance given to the Art Gallery during the year was \$281,333 (2019: \$816,000).

This comprised a donation of: \$233,333 to contribute towards the cost of redeveloping the Members Lounge in 2021; and \$48,000 from the Dagmar Halas bequest to purchase the Yosl Bergner painting, "Self Portrait" (1939) for the Art Gallery's collection.

Other support

The Society also met the cost of tickets for members to attend Art Gallery exhibitions. With 2020 exhibitions cancelled or delayed, the amount of expenditure was substantially reduced to \$48,000 (2019: \$173,000).

Following a 2019 review of volunteer operations, the Art Gallery now centrally manages all volunteers. Additionally, given most volunteer work was cancelled for the year, the Society did not financially contribute to volunteer activities in 2020 (2019: \$9,374).

Performance measurement

The Society's performance measures include:

- Number and diversity of membership
- Membership recruitment and retention
- The amount of annual operating surplus
- The quality and booking levels of events for members
- Intangibles relating to member satisfaction, regard for volunteers, relationship with Art Gallery management and staff performance.

Significant changes in the state of affairs

NSW Government restrictions to protect the population against COVID-19 brought about significant changes to the Society's operations and delivery of membership benefits. The changes included:

- The closure of the Art Gallery for three months, from 23 March to 1 June 2020. In response all members, as at 1 April 2020, were awarded a three-month extension of their membership.
- The cancellation of the 2020 World Travel Program was adapted to a domestic program which, in turn, was further impacted by sudden State border closures.
- The cancellation of lectures and events, which saw the Society move activities online. As restrictions eased, lectures and events resumed with significantly reduced capacity in compliance with government restrictions.

Thanks to the Federal government financial support of JobKeeper and cash boosts (2021: \$545,279), the Society was able to retain its employees and remain focused on supporting its members.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Events since the end of the financial year

COVID-19 will continue to significantly affect the Society's operations, the results of those operations, and the Society's state of affairs in future financial years and it will continue until the population is vaccinated.

Likely developments and expected results of operations

There are no likely developments in the operations of the Society that were not finalised at the date of this report.

Environmental regulation

The Society is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Dividends

The Society's Constitution does not permit any dividends and therefore no dividends have been paid or declared.

Member's Liability

The Society is a company limited by guarantee. If the Society is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting outstanding obligations of the Society.

Proceedings on behalf of the Society

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Society, or to intervene in any proceedings to which the Society is a party, for the purpose of taking responsibility on behalf of the Society for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Society with leave of the Court under section 237 of the Corporations Act 2001.

Insurance of officers

During the financial year, the Society paid a premium of \$5,795 (2019: \$5,395) to insure the Councillors of the Society and the general managers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Society, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Society. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Information on Councillors

Brian Greenacre (President)	B.Bus(Acc),Dip(FinPlan),G.Dip(ICA),FCA,CTA,GAICD Partner, BDO in Australia, since 2011 Board Member, Moogahlin Performing Arts Inc, 2015-2020 Treasurer, Young Members' Committee, Art Gallery Society of NSW, 2014-2018 Fellow Chartered Accountant; Chartered Tax Advisor Graduate Member, Australian Institute of Company Directors Accredited Adviser, Family Business Australia; member since 2016 Over 25 years' experience as accountant and business adviser Councillor since April 2016
Paula Latos- Valier AM (Vice President)	Chair, SH Ervin Gallery Advisory Committee, since 2010 Art Director, Sir William Dobell Art Foundation, since 2011 Managing Director, Biennale of Sydney, 2004-2007; General Manager, 1997-2004; Assistant Director, 1981-1989 Director, Art Gallery of Western Australia, 1990-1997 Program Manager, Australia Council, 1989-1990 and coordinator, opening of the Australian Pavilion at the 1990 Venice Biennale International Exhibition Manager, Australian Gallery Director's Council, 1979-1981 President, Art Museums Association of Australia, 1990-1992 Vice President, Council of Australian Museums Association, 1992-1994 Director, Australian American Fulbright Commission, 2002-2010 Director, Alliance Française de Sydney, 2003-2013; Vice President, 2007-2010 Director, Visual Arts/Craft Board of the Australia Council, 1988-1989 Awarded Chevalier des Arts et Lettres, 2005 Councillor since March 2015
Susan Jackson (Treasurer)	BA/LLB, Grad Dip (Communications), GAICD Experience in leading the revitalisation of the Westpac Foundation as a bank executive. Growing the membership and rebuilding the Clarence Street premises of the Alliance Francaise de Sydney as an AFS board director Governance skills as a former senior executive of the Australian Institute of Company Directors and graduate of its Company Directors Course Westpac senior executive, and now business consultant Councillor since March 2019

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Dr Michael Brand (ex officio, Art Gallery of NSW Director)	BA (Hons), MA, PhD (History) Director, Art Gallery of New South Wales, since 2012 Director, Aga Khan Museum, Toronto, 2010-2012 Director, J Paul Getty Museum, 2005-2010 Director, Virginia Museum of Fine Arts, 2000-2005 Assistant Director, Queensland Art Gallery, 1996-2000 Curator of Asian Art, National Gallery of Australia, 1988-1996 Co-Director, Smithsonian Institution Mughal Garden Project, 1988-1993 Councillor since June 2012
Andrea Brown (Councillor)	B. Bus Mngt, GAICD Member of Contemporary Collection Benefactors (CCB) President, Young Members' Committee, Art Gallery Society of NSW, 2011-2013 Graduate Member, Australian Institute of Company Directors Member, Cruising Yacht Club of Australia Over 20 years' experience in financial services and banking 25+ years involvement with the arts in Australia Councillor since April 2020
Susan Dadswell (Councillor)	Member of the Art Gallery Society Volunteer Task Force since 2008; Assistant Coordinator Volunteer Task Force 2009-2010; Coordinator Volunteer Task Force 2010-2019 Volunteer City of Sydney Archives 2008-2013 Manager, copy-editor and personal assistant to directors Hordern House Rare Books, 1985-2008 Personal assistant to directors, McCormick Rare Books, 1978-1985 Chairman and Secretary of high-rise Owners Corporation, 2002-present President, Cranbrook School Parents Group, 1996-1998 Court Reporter, NSW Conciliation Commission, 1967-1969 Councillor since March 2012
Hon Ashley Dawson-Damer AM (ex officio, Art Gallery of NSW Trustee)	Bachelor of Economics, University of Sydney, 1967 University of Technology Sydney Foundation, since 2020 Board Director, Opera Australia Capital Fund, since 2014 Council of Governors, Opera Australia Capital Fund, since 2005 Trustee, National Gallery of Australia Foundation, since 2004 Director, Sydney Festival, 2012-2016 Deputy Chair and Alternate Director with Premier of NSW, Sydney Festival, 2012–2014 Board Member, National Gallery of Australia Council, 2005-2015 Board Director, National Art School Sydney, 2012-2015 Board Member, National Institute of Dramatic Arts (NIDA), 1997-2003 Trustee, Historic Houses Foundation, 1995-1999 Trustee Representative, Art Gallery of New South Wales, since 2014 Councillor since 2014
Anastasia Economou (Councillor)	Master of Applied Finance; Master of Arts in Law Senior Fellow, FINSIA Educational Committee Member, FINSIA Senior Fellow, FTA Managing Director, General Counsel Division at Credit Suisse, 1999-2016 Contract/Consultant in Conduct Risk, CBA Global Markets, 2016 Head of Operational Risk and Compliance FICC, NAB, 2016 – 2020 Societe Generale as Chief Compliance Officer for Australia since Feb 2020 Over 25 years' experience in the financial services and investment banking sector Councillor since April 2016

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Jenny Green (Councillor)	BA (Asian Studies), MA (Adult Education) Graduate, Australian Institute of Company Directors Independent Councillor, City of Sydney, 2012-2016 Consultant specialising in professional and organisational development in corporate and public sectors. Non Executive Director, Australian Design Centre, since 2017 Non Executive Director, Tom Bass Sculpture Studio School, since 2018 Academic Director, National Judicial College of Australia, 2011-2016 Senior Consultant, University of Technology Sydney, 1996-20105 Councillor since April 2017
Brian Ladd (Councillor)	President, Art Gallery Society of NSW, 2016-2019 Vice President 2014-2015 Graduate, National Art School, Sydney Director, Brett Whiteley Foundation Art advisor, William Fletcher Foundation Head of Public Programs Department, Art Gallery of New South Wales, 1996-2010 Sculpture specialist, lecturer and national tour leader Councillor since March 2014
David Sharpe (Councillor)	Business consultant, specialising in digital and creative industries businesses Long history of advising arts organisations and their boards Runs own business (Sharpe Advisory), contracted to Deloitte Private Former positions at Australia Council for the Arts, Creative Industries Innovation Centre and Generate (creative industry accountants) Widely respected adviser on strategic and business issues for arts companies Clients include Australia Council, Create NSW, CreateVictoria, Screen Australia and Creative Partnerships Australia Graduate, Australian Institute of Company Directors Undertaking PhD in entrepreneurship in the creative industries Country Member of AGNSW Society, based in the Illawarra Personal qualities: passion for the arts, strategic mindset, analytical rigour and financial literacy. Resigned April 2020
Jo-Ann Smith (Councillor)	Volunteer Guide, AGNSW, since 2010 Coordinator of Volunteer Guides, AGNSW, 2015 Assistant Coordinator of Volunteer Guides for the Access program, AGNSW since 2016 Jo-Ann previously managed a boutique law firm office and is a trained nurse Jo-Ann's husband is a Foundation member and together they have supported the Society and the Gallery Council since April 2016

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Report

31 December 2020

Meetings of Councillors

The following table sets out the number of Council meetings held during the period and the number attended by each Councillor.

	Council Meetings	
	Number eligible to attend	Number attended
Brian Greenacre	10	10
Paula Latos-Valier AM	10	10
Susan Jackson	10	10
Dr Michael Brand (ex officio) (i)	10	8
Andrea Brown (from 8 April 2020)	7	5
Hon Ashley Dawson-Damer AM (ex officio)	10	3
Susan Dadswell	10	10
Anastasia Economou	10	7
Jenny Green	10	9
Brian Ladd	10	9
David Sharpe (until 8 April 2020)	3	1
Jo-Ann Smith	10	8

(i) Meetings were attended by Dr Michael Brand or his deputised representative John Richardson or Hakan Harman.

Auditor's independence declaration

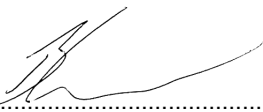
The lead auditor's independence declaration in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 31 December 2020 has been received and can be found on page 9 of the financial report.


Rounding of amounts

The Society is a company of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Councillors' Report. Amounts in the Councillors' Report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of Councillors.

On behalf of the Council

President: 

Treasurer: 

Dated this 19th day of April 2021

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of the Art Gallery Society of New South Wales for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

C HUME
Partner

Sydney, NSW

Dated: 19 April 2021

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Notes	\$	\$
Revenue from ordinary activities	4	2,343,098	4,458,979
Other income	4	670,649	281,393
		<u>3,013,747</u>	<u>4,740,372</u>
Depreciation		(28,521)	(31,310)
Employee benefits expense		(1,661,638)	(1,705,611)
Finance costs		(706)	-
Fringe benefits tax expense		(9,338)	(8,922)
Function costs		(87,645)	(464,156)
Marketing costs		(52,987)	(95,631)
Member benefits		(54,146)	(183,301)
Postage costs		(157,546)	(162,099)
Professional fees		(30,873)	(26,372)
Publishing costs		(450,619)	(461,483)
Other expenses		(229,233)	(422,472)
Surplus from ordinary activities (no tax applicable)	5	250,495	1,179,015
Donations - Art Gallery of NSW	6	(281,333)	(816,000)
Net deficit/(surplus) for the year		(30,838)	363,015
Other comprehensive income for the year		-	-
Total comprehensive (deficit)/surplus for the year		(30,838)	363,015

The accompanying notes form part of these financial statements.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Statement of Financial Position

As at 31 December 2020

	Notes	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,880,123	2,324,554
Trade and other receivables	8	57,386	82,823
Financial assets	11	1,243,865	1,237,717
Other current assets	10	103,781	37,406
TOTAL CURRENT ASSETS		3,285,155	3,682,500
NON-CURRENT ASSETS			
Financial assets	11	1,606,307	1,551,903
Property, plant and equipment	9	32,773	60,367
TOTAL NON-CURRENT ASSETS		1,639,080	1,612,270
TOTAL ASSETS		4,924,235	5,294,770
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,205,577	1,274,664
Contract liabilities	4	855,782	1,488,813
Provisions	13	231,070	181,739
TOTAL CURRENT LIABILITIES		2,292,429	2,945,216
NON-CURRENT LIABILITIES			
Contract liabilities	4	636,516	336,067
Provisions	13	56,320	43,679
TOTAL NON-CURRENT LIABILITIES		692,836	379,746
TOTAL LIABILITIES		2,985,265	3,324,962
NET ASSETS		1,938,970	1,969,808
MEMBERS FUNDS			
Reserves	14	1,000,000	1,000,000
Accumulated funds		938,970	969,808
TOTAL MEMBERS FUNDS		1,938,970	1,969,808

The accompanying notes form part of these financial statements.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Statement of Changes in Equity For the Year Ended 31 December 2020

	Administration reserve	Accumulated funds	Total
	\$	\$	\$
Balance at 1 January 2020	1,000,000	969,808	1,969,808
Net deficit for the year	-	(30,838)	(30,838)
Other comprehensive income	-	-	-
Balance at 31 December 2020	1,000,000	938,970	1,938,970
Balance at 1 January 2019	1,000,000	606,793	1,606,793
Net surplus for the year	-	363,015	363,015
Other comprehensive income	-	-	-
Balance at 31 December 2019	1,000,000	969,808	1,969,808

The accompanying notes form part of these financial statements.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES:		
Receipts from members and customers	1,867,895	4,389,187
Payments to suppliers and employees	<u>(1,741,846)</u>	<u>(3,466,627)</u>
	126,049	922,560
Donations received (including restricted bequest)	144,899	1,116,580
Interest received	21,602	40,388
Government grants received	545,279	-
Net cash provided by operating activities	<u>837,829</u>	<u>2,079,528</u>
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(927)	(922)
Payment for investments	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net cash used by investing activities	<u>(1,000,927)</u>	<u>(1,000,922)</u>
FINANCING ACTIVITIES:		
Donations - Art Gallery of NSW	<u>(281,333)</u>	<u>(816,000)</u>
Net cash used by financing activities	<u>(281,333)</u>	<u>(816,000)</u>
Net (decrease)/increase in cash and cash equivalents held	(444,431)	262,606
Cash and cash equivalents at beginning of year	<u>2,324,554</u>	<u>2,061,948</u>
Cash and cash equivalents at end of financial year	<u>7</u> <u>1,880,123</u>	<u>2,324,554</u>

The accompanying notes form part of these financial statements.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Notes to the Financial Statements For the Year Ended 31 December 2020

The financial report covers the Art Gallery Society of New South Wales (the 'Society') as an individual entity. The Society is a not-for profit Society limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Society is Australian dollars (\$).

The financial report was authorised for issue by the Councillors on 19 April 2021.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This General Purpose - Reduced Disclosure Requirements financial report has been prepared in accordance with Australian Accounting Standards ('AAS'), other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), Urgent Issues Group Consensus Views and the Australian Charities and Not-For-Profits Commission Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

2.1 Income tax

The Society is exempt from income tax under the provisions of Section 50-45 of the *Income Tax Assessment Act 1997*.

2.2 Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

2.3 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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies (continued)

2.4 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.5 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Society's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Society's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

2.6 New and amended standards and interpretations

The new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2020 has had no impact on the Society.

2.7 Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Society for the annual reporting year ended 31 December 2020. The Councillors have not early adopted any of these new amended standards and interpretations. The Councillors are in the process of assessing the impact of the applications of the standard and its amendment to the extent relevant to the financial statement of the Society.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgements

The Councillors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Employee benefits provision

As discussed in note 13, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets

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

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Society is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the incorporated association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Society operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Society unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Financial Statements For the Year Ended 31 December 2020

4 Revenue

	2020	2019
	\$	\$
The Society derives the following types of revenue:		
- Revenue from member subscriptions	1,334,154	1,937,060
- Revenue from Look	330,060	376,653
- Revenue from functions, events and sponsorships	522,114	1,962,794
- Revenue from donations	144,899	116,580
- Revenue from other sources	11,871	65,892
	2,343,098	4,458,979
Contract liabilities		
CURRENT		
- Function revenue in advance	112,710	499,712
- Subscription revenue 3 month COVID-19 extension	278,841	-
- Subscription revenue in advance	464,231	989,101
	855,782	1,488,813
NON-CURRENT		
- Subscription revenue in advance	636,516	336,067

Revenue is recognised for the major activities using the methods outlined below:

Revenue from member subscriptions

Timing of recognition:

Subscription revenue is apportioned over the period to which the membership relates.

Measurement of revenue:

The revenue is measured at the amount receivable under the membership agreement. If the amount received carries on to the following financial year it will be considered deferred revenue.

Due to the effects of COVID-19, the Society and the Art Gallery were closed for 3 months from 23 March to 1 June 2020 due to a NSW Government directive. In response all current, new and renewed members who signed up before 1 April 2020 were awarded with a three-month extension of membership during the year.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Revenue from functions, events and sponsorships

Timing of recognition:

Function and event revenue is recognised in the period in which the function or event occurs. The relevant costs associated are also recognised in the same period to match income and expense in the appropriate period.

Measurement of revenue:

The revenue is measured at the amount receivable under the contract. If the amount received carries on to the following financial year it will be considered as contract liabilities.

Notes to the Financial Statements For the Year Ended 31 December 2020

4 Revenue (continued)

Contract liabilities

Contract liabilities represent the Society's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Society recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Society has transferred the goods or services to the customer.

Revenue from donations and bequests

Timing of recognition:

Donations and bequests are generally recognised as income when the Society obtains control over the asset. Control is usually obtained upon the receipt of cash.

Measurement of revenue:

Donations and bequests that are restricted as to the use of funds are recognised as income in the year the Society expends the funds as per the directions of the bequest.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

	2020	2019
	\$	\$
Other Income		
- Interest received	21,602	40,388
- Sundry income	1,364	4,309
- Income from restricted assets	48,000	-
- Increase in market value of investment	54,404	236,696
- Government grants: JobKeeper and Cash Boost	545,279	-
	<u>670,649</u>	<u>281,393</u>

Interest income is reported on an accruals basis using the effective interest method.

Dividend and distribution revenue is recognised when the Society has established that it has a right to receive a payment.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Notes to the Financial Statements For the Year Ended 31 December 2020

5 Material Profit or Loss Items

The Society has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Society:

	2020	2019
	\$	\$
Depreciation	28,521	31,310
Fringe benefits tax expense/(refund)	9,338	8,922
Interest refund	706	-
Superannuation(i)	136,027	139,473
Provision for annual leave	21,373	9,181
Provision for long service leave	32,330	28,464

(i) All employees of the Society receive defined contribution superannuation entitlements, for which the Society pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's ordinary times earnings) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

6 Donations - Art Gallery of NSW

	2020	2019
	\$	\$
Contribution to AGNSW for the redevelopment of the Members' Lounge	233,333	816,000
Purchase of Yosl Bergner "Self Portrait" (1939) from the Dagmar Halas Bequest for the AGNSW Collection	48,000	-
	<u>281,333</u>	<u>816,000</u>

Contributions to the Art Gallery of New South Wales

Operational support type contributions have been included in the calculation of the operating surplus for the year. This treatment is to assist in the alignment of both the income and related expenses for the Society.

Contributions made to assist the Gallery's major acquisitions, are recognised as donations, after calculating the operating surplus, consistent with prior years.

7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	1,255,570	1,263,578
Interest bearing deposits, at call	624,553	1,060,976
	<u>1,880,123</u>	<u>2,324,554</u>

Cash includes an amount of \$27,560 (2019: \$75,560) which is restricted funds set aside for a specific purpose.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Notes to the Financial Statements For the Year Ended 31 December 2020

7 Cash and Cash Equivalents (continued)

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade and sundry receivables	54,885	79,229
Accrued interest	2,501	3,594
	<u>57,386</u>	<u>82,823</u>

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Society has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

9 Property, Plant and Equipment

	2020	2019
	\$	\$
Office equipment		
At cost	229,756	228,830
Accumulated depreciation	(196,983)	(168,463)
	<u>32,773</u>	<u>60,367</u>

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Plant and equipment	3-10 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 Society. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Notes to the Financial Statements For the Year Ended 31 December 2020

9 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:

	Property, plant and equipment \$
Balance at 1 January 2020	60,367
Additions	927
Depreciation expense	<u>(28,521)</u>
Balance at 31 December 2020	<u>32,773</u>

10 Other Assets

	2020 \$	2019 \$
CURRENT		
Prepayments	<u>103,781</u>	<u>37,406</u>

11 Financial Assets

	2020 \$	2019 \$
CURRENT		
Bequest term deposit (Elizabeth Fyffe Estate - restricted bequest)	1,000,000	1,000,000
Bank term deposit	<u>243,865</u>	<u>237,717</u>
	<u>1,243,865</u>	<u>1,237,717</u>
NON-CURRENT		
Managed investment portfolio	<u>1,606,307</u>	<u>1,551,903</u>

The bequest term deposit amount of \$1,000,000 is a restricted fund set aside for a specific purpose.

Investments are measured initially at cost, including transaction costs. Subsequent to initial recognition, investments are measured at fair value. Term deposits are measured at amortised cost. Gains and losses arising from changes in the fair value of investments are included in profit or loss in the period in which they arise. The Society determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

The Society's investments in medium and long term facilities are classified as "at fair value through profit and loss" and measured at fair value, this is determined by reference to current bid prices at the close of business on balance date.

Notes to the Financial Statements For the Year Ended 31 December 2020

12 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade creditors and accruals	178,017	199,104
Dagmar Halas Estate - restricted bequest	27,560	75,560
Elizabeth Fyffe Estate - restricted bequest	1,000,000	1,000,000
	<u>1,205,577</u>	<u>1,274,664</u>

Trade creditors and accruals

These amounts represent liabilities for goods and services provided to the Society prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Restricted donations and bequests

These amounts are recognised in the balance sheet as funds set aside for a specific purpose. Any balance yet to be discharged as per the contractual specifications should be equal to unspent balances of restricted cash and restricted investments.

Restricted assets are maintained solely for the use of restricted bequests. The purpose of restricted funds is to purchase the Artwork. The balances of such assets should be equal to unspent balances of any such restricted bequests.

Unexpended balances at year end were:

Dagmar Halas Bequest	Cash	\$27,560
Elizabeth Fyffe Bequest	Financial assets	\$1,000,000

13 Provisions

	2020	2019
	\$	\$
CURRENT		
Annual leave	134,038	97,986
Long service leave	97,032	83,753
	<u>231,070</u>	<u>181,739</u>
NON-CURRENT		
Long service leave	<u>56,320</u>	<u>43,679</u>

Annual leave

The amounts expected to be paid to employees for their pro-rata entitlements to annual leave have been accrued at current rates of pay having regard to period of service and on-costs applicable to the entitlements.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. In assessing expected future payments the Society has based the provision on remuneration rates current as at balance date for all employees with five or more years of service. The Councillors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement. Related on-costs have also been included in the liability.

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Notes to the Financial Statements For the Year Ended 31 December 2020

14 Reserves

	2020	2019
	\$	\$
Administration Reserve	<u>1,000,000</u>	<u>1,000,000</u>

During the year there was no movement in reserves.

Administration reserve

The administration reserve records funds set aside to ensure the continued growth of the Society.

15 Financial Assets and Liabilities

	Financial assets at amortised cost	FVTPL	Total
	\$	\$	\$
31 December 2020			
Financial assets			
Cash and cash equivalents (Note 7)	1,880,123	-	1,880,123
Trade and other receivables (Note 8)	57,386	-	57,386
Financial assets (Note 11)	<u>1,243,865</u>	<u>1,606,307</u>	<u>2,850,172</u>
	<u>3,181,374</u>	<u>1,606,307</u>	<u>4,787,681</u>

	Other liabilities	FVTPL	Total
	\$	\$	\$
Financial liabilities			
Trade and other payables (Note 12)	<u>1,205,577</u>	-	<u>1,205,577</u>

	Financial assets at amortised cost	FVTPL	Total
	\$	\$	\$
31 December 2019			
Financial assets			
Cash and cash equivalents (Note 7)	2,324,554	-	2,324,554
Trade and other receivables (Note 8)	82,823	-	82,823
Financial assets (Note 11)	<u>1,237,717</u>	<u>1,551,903</u>	<u>2,789,620</u>
	<u>3,645,094</u>	<u>1,551,903</u>	<u>5,196,997</u>

	Other liabilities	FVTPL	Total
	\$	\$	\$
Financial liabilities			
Trade and other payables (Note 12)	<u>1,274,664</u>	-	<u>1,274,664</u>

Notes to the Financial Statements For the Year Ended 31 December 2020

15 Financial Assets and Liabilities (continued)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Society 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.

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.

Impairment of financial assets

The Society recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Society's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

16 Contingent Liabilities and Commitments

The Society currently has no significant contingent liabilities.

The Society currently has no significant capital expenditure commitments.

The Society currently has no non-cancellable leases.

17 Key Management Personnel Disclosures

Compensation

The aggregate compensation made to key management personnel of the Society is set out below. There was no compensation paid or payable to the Councillors during the current or prior period.

	2020	2019
	\$	\$
Aggregate compensation	<u>340,114</u>	<u>321,195</u>

Notes to the Financial Statements For the Year Ended 31 December 2020

18 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The were no transactions between related parties during the current or prior period.

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

19 Events subsequent to the end of the reporting period

The COVID-19 pandemic will continue to significantly affect the operations of the Society, the result of those operations and the state of affairs of the Society in future financial years.

20 Members' Guarantee

The Society is incorporated under the *Corporations Act 2001* and is a Society limited by guarantee. If the Society is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Society. At 31 December 2020 the number of members was 19,475 (2019: 20,325).

21 Results of Fundraising Appeals

The Society receives donations of cash as a result of its day to day activities. In addition the annual travel draw is conducted during the year. The results are as follows.

	2020	2019
	\$	\$
Revenue from donations	144,899	116,580
Travel draw	131,513	143,283
Gross income from fundraising (A)	276,412	259,863
Cost of fundraising (B)	(27,101)	(31,072)
Net surplus from fundraising (C)	249,311	228,791
Cost of services provided (D)	-	-
Transfer to accumulated funds	249,311	228,791

In accordance with the Charitable Fundraising Act 1991 the following ratios are provided:

Cost of fundraising to gross income from fundraising (B/A)	9.80%	11.96%
Net surplus from fundraising to gross income from fundraising (C/A)	90.19	88.04%
Cost of services provided to total expenditure (D/(B+D))	0%	0%
Cost of services provided to gross income from fundraising (D/A)	0%	0%

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Councillors' Declaration

The Councillors of the Art Gallery Society of NSW declare that in their opinion:

(1) the financial statements and notes are in accordance with *Australian Charities and Not-For-Profits Commission Act 2012* and:

(a) comply with Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-For-Profits Regulation 2013*, the *Fundraising Act 1991* and other mandatory professional reporting requirements,

(b) give a true and fair view of the Society's financial position as at 31 December 2020 and of its performance for the financial year ended on that date, and

(c) the accompanying financial statements have been prepared in accordance with the *Charitable Fundraising Act 1991* and,

(i) the provisions of the *Charitable Fundraising Act 1991*, the regulations under the Act and the conditions attached to the Society have been complied with;


(ii) the financial statements give a true and fair view of all income and expenditure with respect to fundraising events;


(iii) the statement of financial position gives a true and fair view of the state of affairs of the Society with respect to fundraising events; and

(iv) The internal controls exercised by the Society are appropriate and effective in accounting for all income received and applied by the Society from any of its fundraising events.

(2) there are reasonable grounds to believe that the Society 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 Councillors.

President 

Treasurer 

Dated this 19th day of April 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of the Art Gallery Society of New South Wales

Opinion

We have audited the financial report of the Art Gallery Society of New South Wales, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss 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 councillors' declaration.

In our opinion, the financial report of the Art Gallery Society of New South Wales has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the society's financial position as at 31 December 2020 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Art Gallery Society of New South Wales in accordance with 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.

Other Information

The councillors are responsible for the other information. The other information comprises the information included in the Art Gallery Society of New South Wales annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The council of the society are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the council determine is necessary to enable the preparation of the 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 council is responsible for assessing the Art Gallery Society of New South Wales ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Art Gallery Society of New South Wales or to cease operations, or has 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 the 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 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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on aspects of the Charitable Fundraising Act 1991

We have audited the society's operations in order to express an opinion on the matters specified in section 24(2) of the *Charitable Fundraising Act 1991* for the year ended 31 December 2020.

Councillors' Responsibility for Compliance

The councillors are responsible for ensuring compliance with the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2015*. This responsibility includes establishing and maintaining internal control relevant to compliance, ensuring that all assets obtained during, or as a result of a fundraising event are safeguarded and properly accounted for, and maintaining proper books of account and records.

Auditor's responsibility

Our responsibility is to express an opinion on matters specified in section 24(2) of the *Charitable Fundraising Act 1991* for the year ended 31 December 2020. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether there were any material breaches of compliance by the Society.

An audit involves performing procedures to obtain audit evidence about the society's compliance with the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2015*, and its solvency. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material breaches of compliance. In making those risk assessments, the auditor considers internal control relevant to the entity's compliance 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 entity's internal control.

Our procedures included, examination on a test basis, of evidence supporting the society's solvency and its compliance with the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2015*. These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2015*, apart from those specified.

Auditors opinion

In our opinion the financial report of the Art Gallery Society of New South Wales has been prepared in accordance with the *Charitable Fundraising Act 1991*, including showing a true and fair view of the society's financial result of fundraising appeals for the year ended 31 December 2020.

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

**C J HUME**

Partner

RSM Australia Partners

Sydney, 20 April 2021

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books & records of Art Gallery Society of New South Wales which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2020. It will be appreciated that our statutory audit did not cover all details of the financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including errors or omissions therein however caused.



RSM AUSTRALIA PARTNERS



C J HUME
Partner

Sydney, NSW
Dated: 20 April 2021

Art Gallery Society of New South Wales

ABN: 26 000 207 198

Unaudited Statement of Income and Expenditure For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Income		
Donations received	144,899	116,580
Function and events revenue	280,185	1,234,085
Increase in market value of investment	54,404	236,696
Interest received	21,602	40,388
Look revenue	330,060	376,653
Member subscriptions	1,334,154	1,937,060
Sponsorship revenue	66,600	212,337
Sundry income	13,235	70,201
Travel draw	131,513	143,283
Travel program	43,816	373,089
Government grants	545,279	-
Income from restricted assets	48,000	-
	3,013,747	4,740,372
Expenditure		
Bank charges	27,180	49,187
Computer consumables and support	3,596	4,786
Cost of fundraising	27,101	31,072
Depreciation	28,521	31,310
Employee remuneration	1,429,301	1,472,512
Fringe benefits tax	9,338	8,922
Function and events expense	87,645	464,156
General expenses	68,505	178,917
Insurance	28,432	23,168
Interest paid	706	-
Look costs	631,171	661,943
Marketing costs	52,987	95,631
Member benefits	47,016	162,682
Member facilities	24,055	68,475
Overseas travel program	39,212	35,810
Printing, postage and stationery	5,485	8,855
Professional fees	30,873	26,372
Provision for employee entitlements	53,703	37,645
Staff training and welfare	3,396	27,253
Superannuation	136,027	139,473
Task force and guides	-	9,375
Travel costs	29,002	23,813
	2,763,252	3,561,357
Operating surplus for the year	250,495	1,179,015
Donations - Art Gallery of NSW	(281,333)	(816,000)
Net (deficit)/surplus for the year	(30,838)	363,015

The accompanying notes form part of these financial statements.