



Art Gallery Society of New South Wales

ABN 26 000 207 198

Annual Report - 31 December 2023

Art Gallery Society of New South Wales
Contents
31 December 2023

| | |
|---|----|
| Councillors' report | 2 |
| Auditor's 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 | 25 |
| Independent auditor's report to the members of Art Gallery Society of New South Wales | 26 |
| Auditor's disclaimer | 29 |
| Unaudited statement of income and expenditure | 30 |

General information

The financial statements cover the Art Gallery Society of New South Wales as an individual entity. The financial statements are presented in Australian dollars, which is the Art Gallery Society of New South Wales's functional and presentation currency.

The Art Gallery Society of New South Wales is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

| Registered Office | Principal Place of Business |
|--|--|
| Art Gallery of NSW Art Gallery Road Sydney NSW, 2000 | Level 3 Art Gallery of NSW Road Sydney NSW, 2000 |

The financial statements were authorised for issue, in accordance with a resolution of Councillors, on 30 April 2024.

Art Gallery Society of New South Wales Councillors' report 31 December 2023

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 2023.

Councillors

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

| | |
|--|---------------------------------|
| Susan Jackson (President) | |
| Paula Latos-Valier AM (Vice President) | |
| Andrea Brown (Treasurer) | |
| Dr Michael Brand (ex officio, Art Gallery of NSW Director) | |
| Anastasia Economou (Councillor) | |
| Lachlan Edwards (ex officio, Art Gallery of NSW Trustee) | (Appointed on 28 February 2023) |
| Liz Gibson (Councillor) | (Appointed on 14 June 2023) |
| Jenny Green (Councillor) | |
| Brian Greenacre (Councillor) | |
| Brian Ladd OAM (Councillor) | (Retired on 14 June 2023) |
| Tristan Sharp (Councillor) | |
| Jo-Ann Smith (Councillor) | |

The Society President, Brian Greenacre, resigned as President on 28 February 2023 and Susan Jackson was appointed President and Andrea Brown appointed Treasurer on that date.

No Councillors of the Society are former auditors.

Objectives and Strategy

The Society is an independent membership organisation that exists to support the Art Gallery of New South Wales (AGNSW or Art Gallery).

Our vision is to be the leader in art museum membership. Our purpose is to support the AGNSW.

We fulfil our vision and purpose by:

- Inspiring people to connect with art, the Art Gallery, and join our membership community;
- Supporting member engagement, enjoyment and interest in the arts through shared cultural, social and creative experiences;
- Enriching the Art Gallery by contributing socially, culturally and financially to the collection and programs of the Art Gallery; and
- Striving for innovation, excellence and diversity to deliver a sustainable membership organisation.

These four strategic goals are set out in the Society's Strategic Plan 2023 – 2025. The Society always aims to align its strategy with that of the Art Gallery.

Principal activities

The principal activities of the Society during the year involved providing the AGNSW 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.

Following the successful opening of the North Building in late 2022, membership numbers remained strong with 32,758 (2022: 33,102) members at the close of the year.

Art Gallery Society of New South Wales Councillors' report 31 December 2023

Activity highlights of the year included:

- Celebrating the 70th anniversary of the establishment of the Society with: a 70th anniversary dinner; special events for our 3,900 loyal members holding membership for more than 20 years including member Shirley O'Dea MBE who has been a member for 70 years; an Art Appreciation lecture series focussing on artworks funded by the Society; a 70th anniversary fundraising appeal to acquire artworks by First nations women artists featured in the 2023 Wynne Prize; an artwork trail through the North and South buildings focusing on artworks funded by the Society; a special gathering of former Society Councillors and executive staff; a series of articles in *Look* magazine; as well as member promotions and communications throughout the year;
- Finalising a three-year Memorandum of Understanding (MoU) with the AGNSW. A MoU was introduced in 2016 with each MoU being of three-year duration. This is our third MoU;
- Change management following the implementation of new membership categories at the end of 2022. This involved the transition of over 30,000 members into new membership categories. As a key feature of the Society's Membership Growth Framework, the new categories aim to create a lifelong membership journey and new opportunities for more members to engage with the Art Gallery;
- Sponsoring the delivery of Art After Hours throughout 2023 and the Kandinsky exhibition (4 November 2023 – 10 March 2024).

Membership benefits

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

The flexible ticket offer in our new membership categories has led to increased engagement with the Art Gallery's ticketed exhibitions in 2023 with:

- 7,824 Inspire members redeeming tickets to attend the 2023 Archibald, Wynne and Sulman Prize exhibition with a further 7,556 member-priced tickets purchased;
- 3,821 Inspire Members redeeming their complimentary tickets for Kandinsky, with a further 5,544 member-priced tickets purchased;
- 980 Inspire Members redeeming their complimentary tickets for the Louise Bourgeois exhibition (25 November 2023 – 28 April 2024) with 3,439 member-priced tickets purchased.

The 2023 Art Appreciation lecture series returned to pre-COVID levels of attendance with 16,163 attending the lectures in the Domain Lecture Theatre, and an additional 3,900 viewings online.

There were 390 events (2022: 335) during the year. They included lectures, talks, workshops, day tours, walks and excursions, concerts, exhibition tours and viewings, with a particular emphasis on online learning opportunities about art history and other fields of culture. 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 philanthropy. In a successful year and one celebrating our 70-year milestone, we sincerely thank Renaissance Tours, Regent Seven Seas Cruises, Bank of China and the Sir William Dobell Art Foundation for their financial support; and Kimpton Margot Sydney, Hendricks, Glenfiddich, Mount Pleasant Wines and Mr Cook Florals for their in-kind support.

The Society also wishes to acknowledge and thank those generous members who continued to give their support through donations. Member donations remained strong and totalled \$150,904 (2022: \$194,865). Our loyal Collection Circle and individual donors raised substantial funds to support the purchase of a number of works including artworks by First nations women artists for the Art Gallery through our 70th anniversary fundraising appeal. The term "Art Acquisition Funds" in this report refers to the donations received from Collection Circle and individual donors.

The World Art Tours program was successfully delivered in collaboration with Renaissance Tours with tours taking members to more than 53 destinations and commissions of \$206,130 (2022: \$65,241) being paid to the Society.

The Members Lounge is operated by the Society with the café service delivered through a contract with Fresh Collective. We welcomed 73,036 members and their guests to the Members Lounge during the year and the catering delivered a modest profit of \$7,771.

Financial assistance to and art acquisitions for 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, exhibitions and events, and audience development, lifelong learning and other programs as agreed.

Art Gallery Society of New South Wales Councillors' report 31 December 2023

The Society develops, serves and communicates with an active and committed membership that provides a core audience for AGNSW exhibitions and programs.

The total assistance given by the Society to the Art Gallery of NSW during the year was \$1 million dollars. This amount is comprised of acquisition of art works, financial contributions and other forms of practical support, including the production of *Look* magazine, Members Lounge costs, exhibition tickets, complementary memberships and donations to the Art Gallery of NSW by Society members.

Financial contributions included:

- \$85,045 from Art Acquisition Funds to purchase artworks by First Nations women artists including *Mo'iam – Archer River* (2022) by Janet Koongotema, *Kapi Tjukurrpa Nyumannu* (2022) by Doris Bush Nungarrayi and *Papuun* (2022) by Katjarra Butler;
- \$250,000 to support AGNSW's Kandinsky exhibition and Art After Hours program; and
- \$81,180 from the Elizabeth Fyffe bequest to purchase *Neoclassical nudes* (circa 1931) by Dorothy Thornhill and *Self portrait* (1941) by Weaver Hawkins.

Other support

Champion members receive free entry to all ticketed exhibitions and all membership categories are entitled to ticket discounts when purchasing tickets. A benefit of Inspire membership includes one free ticket per year to AGNSW paid exhibitions. The Society met the cost of the Inspire membership tickets and paid the AGNSW \$150,781 (2022: \$139,878).

We contributed \$3,000 towards the cost of the AGNSW volunteers' end-of-year celebrations and \$12,000 towards a table at the 2023 Foundation Gala.

We also extended an offer of complimentary Connect memberships to all 838 artists who have artworks in the Art Gallery's collection with 195 taking up the offer in 2023.

Performance measurement

The Society's performance measures for the year included:

- The number of members
- The amount of annual operating surplus
- The implementation of new membership categories and associated services and benefits
- The quality and booking levels of events for members
- Intangibles relating to member satisfaction, the quality of teamwork between the Society and Art Gallery management and staff performance.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events since the end of the financial year

On 1 March 2024 Robert Heather resigned as Executive Director. The Society sincerely thanks Robert for his three years of service.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Society's operations, the results of those operations, or the Society's state of affairs in future financial years.

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.

Art Gallery Society of New South Wales

Councillors' report

31 December 2023

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 were 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 \$8,050 (2022: \$6,425) to insure the Councillors of the Society and its officers.

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.

Information on Councillors

| | |
|---------------------------|---|
| Name: | Susan Jackson |
| Title: | President |
| Experience and expertise: | Treasurer, Art Gallery Society of NSW, 2019-2023 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 Française 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 Trustee, Sir William Dobell Art Foundation, since December 2022 Life member, Tamarama Surf Lifesaving Club Councillor since March 2019 |
| Name: | Paula Latos-Valier AM |
| Title: | Vice President |
| Experience and expertise: | 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 Foundation member, patron of Contemporary Collection Benefactors and Edmund and Joanna Capon Research Library, 2007; 2015 - present Councillor since March 2015 |

**Art Gallery Society of New South Wales
Councillors' report
31 December 2023**

Name: Andrea Brown
Title: Treasurer
Experience and expertise: B. Bus Mngt, GAICD
Member of AGNSW Contemporary Collection Benefactors (CCB)
President, Young Members' Committee, Art Gallery Society of NSW, 2011-2013
Graduate Member, Australian Institute of Company Directors
Over 25 years experience in financial services and banking
25+ years involvement with the arts in Australia
Councillor since April 2020

Name: Dr Michael Brand
Title: Councillor, Art Gallery of NSW Director (ex officio)
Experience and expertise: 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

Name: Anastasia Economou
Title: Councillor
Experience and expertise: 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, 2017-2020
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

Name: Lachlan Edwards
Title: Art Gallery of NSW Trustee (ex officio)
Experience and expertise: BEc GDAFI MAICD
Trustee of the Art Gallery of NSW since January 2022
Chair of the Audience and Engagement Committee at the AGNSW since January 2023
Member of the Finance, Audit & Risk Committee at the AGNSW since February 2024
Councillor since February 2023

Name: Liz Gibson
Title: Councillor
Experience and expertise: MA Arts Administration, Dip Art Education, BA Fine Arts
Visual Arts Consultant, Studies Directorate, NSW Education Department 1985-1987
Manager, Children and Family Programs, and Volunteer Guide Training Program, AGNSW 1988-1995
Senior Coordinator Public Programs - Lecture, Performance and Events Programs, AGNSW 1995-2005
Initiated and established Art After Hours, AGNSW 2003-2005
Director, World Art Tours for Members, AGNSW 2005-2023
Councillor since June 2023

**Art Gallery Society of New South Wales
Councillors' report
31 December 2023**

| | |
|---------------------------|---|
| Name: | Jenny Green |
| Title: | Councillor |
| Experience and expertise: | 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, 1996-2015 Councillor since April 2017 |
| Name: | Brian Greenacre |
| Title: | Councillor |
| Experience and expertise: | President, Art Gallery Society of NSW, 2019 - 2023 B.Bus(Acc),Dip(FinPlan),G.Dip(ICAA),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 |
| Name: | Brian Ladd OAM |
| Title: | Councillor |
| Experience and expertise: | President, Art Gallery Society of NSW, 2016-2019 Vice President 2014-2015 Board Member, Brett Whiteley Foundation Head of Public Programs Department, Art Gallery of New South Wales, 1996-2010 Sculpture specialist, lecturer and art tour leader Graduate, National Art School, Sydney Councillor from 2014 to 2023 |
| Name: | Tristan Sharp |
| Title: | Councillor |
| Experience and expertise: | MA Arts Administration, Dip Education, BA Fine Arts 1998-2001 Deputy Director, Australian Classification Board 2022-Present Director, Kingfisher & Co Consultancy 2019-2022 Project Lead, Flexible Workplace Strategy, AMP Capital 2019-2021 Director, Programs & Engagement Museum of Applied Arts and Sciences 2016-2019 Senior Corporate Services Manager, Westpac Banking Corporation 2014-2016 Assistant Director, Newcastle Art Gallery 2009-2014 Senior Coordinator Education Programs, Art Gallery of NSW 2002-2009 Councillor since 2022 |
| Name: | Jo-Ann Smith |
| Title: | Councillor, AGNSW Foundation |
| Experience and expertise: | 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 Councillor since April 2017 |

**Art Gallery Society of New South Wales
Councillors' report
31 December 2023**

Meetings of Councillors

The number of meetings of the Society's Board of Councillors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each Councillor were:

| | Council meetings | |
|-----------------------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Susan Jackson | 7 | 7 |
| Paula Latos-Valier AM | 7 | 7 |
| Andrea Brown | 7 | 7 |
| Dr Michael Brand (ex officio) (i) | 7 | 7 |
| Anastasia Economou | 7 | 6 |
| Lachlan Edwards | 7 | 7 |
| Liz Gibson | 4 | 3 |
| Jenny Green | 7 | 7 |
| Brian Greenacre | 7 | 6 |
| Brian Ladd OAM | 2 | 1 |
| Tristan Sharp | 7 | 5 |
| Jo-Ann Smith | 7 | 6 |

(i) Meetings were attended by Dr Michael Brand or his deputised representative John Richardson, Director of Development or Hakan Harman, Chief Operating Officer.

Auditor's independence declaration

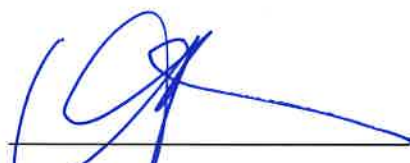
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Councillors' report.

This report is made in accordance with a resolution of Councillors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Councillors



President



Treasurer

30 April 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Art Gallery Society of New South Wales for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized blue ink signature of "RSM" in a cursive script.

RSM AUSTRALIA PARTNERS

A blue ink signature of "Cameron Hume" in a cursive script.

Cameron Hume
Partner

Sydney, NSW
Dated: 30 April 2024

Art Gallery Society of New South Wales
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

| | Note | 2023 \$ | 2022 \$ |
|---|-------------|--------------------------|--------------------------|
| Revenue from ordinary activities | 3 | 4,987,738 | 4,086,062 |
| Other income | 4 | 415,283 | 30,986 |
| Employee benefits expense | | (1,920,993) | (1,887,242) |
| Depreciation expense | | (4,749) | (2,688) |
| Food and beverage costs | | (871,512) | (461,565) |
| Fringe benefits tax expense | | (6,314) | (5,345) |
| Function costs | | (448,034) | (442,022) |
| Marketing costs | | (61,285) | (66,441) |
| Member benefits | | (193,619) | (147,078) |
| Postage costs | | (164,222) | (170,803) |
| Professional fees | | (32,190) | (39,889) |
| Publishing costs | | (517,952) | (480,507) |
| Other expenses | | (318,628) | (295,595) |
| Surplus from ordinary activities (no tax applicable) | 5 | 863,523 | 117,873 |
| Donations - Art Gallery of NSW | 6 | (416,225) | (1,148,940) |
| Net surplus/(deficit) for the year | | 447,298 | (1,031,067) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive surplus/(deficit) for the year | | <u>447,298</u> | <u>(1,031,067)</u> |

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

Art Gallery Society of New South Wales
Statement of financial position
As at 31 December 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------|------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 579,649 | 990,869 |
| Trade and other receivables | 8 | 346,772 | 365,269 |
| Other assets | 9 | 175,290 | 44,192 |
| Financial assets | 10 | 942,135 | 357,878 |
| Total current assets | | <u>2,043,846</u> | <u>1,758,208</u> |
| Non-current assets | | | |
| Financial assets | 10 | 2,803,787 | 2,630,084 |
| Plant and equipment | 11 | 16,009 | 16,396 |
| Total non-current assets | | <u>2,819,796</u> | <u>2,646,480</u> |
| Total assets | | <u>4,863,642</u> | <u>4,404,688</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 967,800 | 953,893 |
| Contract liabilities | 13 | 1,506,563 | 1,475,717 |
| Employee benefits | 14 | 251,485 | 245,747 |
| Total current liabilities | | <u>2,725,848</u> | <u>2,675,357</u> |
| Non-current liabilities | | | |
| Contract liabilities | 13 | 284,066 | 324,466 |
| Employee benefits | 14 | 31,204 | 29,639 |
| Total non-current liabilities | | <u>315,270</u> | <u>354,105</u> |
| Total liabilities | | <u>3,041,118</u> | <u>3,029,462</u> |
| Net assets | | <u>1,822,524</u> | <u>1,375,226</u> |
| Equity | | | |
| Reserves | 15 | 1,000,000 | 1,000,000 |
| Accumulated funds | | <u>822,524</u> | <u>375,226</u> |
| Total equity | | <u>1,822,524</u> | <u>1,375,226</u> |

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

Art Gallery Society of New South Wales
Statement of changes in equity
For the year ended 31 December 2023

| | Administration reserve \$ | Accumulated funds \$ | Total equity \$ |
|--|--|-------------------------------------|----------------------------|
| Balance at 1 January 2022 | 1,000,000 | 1,406,293 | 2,406,293 |
| Deficit for the year | - | (1,031,067) | (1,031,067) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive deficit for the year | - | (1,031,067) | (1,031,067) |
| Balance at 31 December 2022 | <u>1,000,000</u> | <u>375,226</u> | <u>1,375,226</u> |
| | Administration reserve \$ | Accumulated funds \$ | Total equity \$ |
| Balance at 1 January 2023 | 1,000,000 | 375,226 | 1,375,226 |
| Surplus for the year | - | 447,298 | 447,298 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the year | - | 447,298 | 447,298 |
| Balance at 31 December 2023 | <u>1,000,000</u> | <u>822,524</u> | <u>1,822,524</u> |

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

Art Gallery Society of New South Wales
Statement of cash flows
For the year ended 31 December 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|----------------|----------------|
| Operating activities | | | |
| Receipts from members and customers | | 4,358,173 | 3,814,622 |
| Payments to suppliers and employees | | (4,513,539) | (4,105,391) |
| | | (155,366) | (290,769) |
| Donations received | | 150,904 | 194,865 |
| Interest received | | 13,829 | 7,182 |
| Net cash from/(used in) operating activities | | 9,367 | (88,722) |
| Investing activities | | | |
| Payments for property, plant and equipment | | (4,606) | (16,613) |
| Proceeds from sale of plant and equipment | | 244 | 1,404 |
| Net cash used in investing activities | | (4,362) | (15,209) |
| Financing activities | | | |
| Donations - Art Gallery of NSW | | (416,225) | (1,148,940) |
| Net cash used in financing activities | | (416,225) | (1,148,940) |
| Net decrease in cash and cash equivalents | | (411,220) | (1,252,871) |
| Cash and cash equivalents at the beginning of the financial year | | 990,869 | 2,243,740 |
| Cash and cash equivalents at the end of the financial year | 7 | <u>579,649</u> | <u>990,869</u> |

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

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 1. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

The Society has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

This General Purpose - Simplified Disclosure 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.

Income tax

As the Society is a tax exempt institution in terms of subsection 50-10 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

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.

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.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 1. Material accounting policy information (continued)

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Comparative figures

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

Note 2. Critical accounting judgements, estimates and assumptions

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.

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.

Employee benefits provision

As discussed in note 14, 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.

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.

Note 3. Revenue from ordinary activities

| | 2023 \$ | 2022 \$ |
|---|------------------|------------------|
| The Society derives the following types of revenue: | | |
| - Revenue from member subscriptions | 2,080,865 | 2,117,571 |
| - Revenue from Look magazine | 371,101 | 356,298 |
| - Revenue from functions, events and sponsorships | 1,501,126 | 1,020,584 |
| - Revenue from donations | 150,904 | 194,865 |
| - Revenue from food and beverage | 883,742 | 396,744 |
| Revenue from ordinary activities | <u>4,987,738</u> | <u>4,086,062</u> |

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 3. Revenue from ordinary activities (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | 2023 \$ | 2022 \$ |
|-----------------------------|------------------|------------------|
| <i>Geographical regions</i> | | |
| Australia | <u>4,987,738</u> | <u>4,086,062</u> |

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.

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.

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 the donation or bequest.

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

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 3. Revenue from ordinary activities (continued)

Revenue from Look advertising

Timing of recognition:

Revenue is recognised bi-monthly and in the same month the magazine is issued.

Measurement of revenue:

The revenue is measured at the amount receivable under the contractual agreement.

Revenue from food & beverage

Timing of recognition:

Revenue and relevant associated costs are invoiced or received by or on behalf of the Art Gallery Society (AGS) through Fresh Catering Pty Ltd (FC) in the same period as goods and services are rendered.

Measurement of revenue:

The revenue is measured at the amount receivable at the point of sale. The revenue is banked into FC bank account however the revenue belongs to AGS. FC will invoice if there is a shortfall or FC will pay AGS if there is a profit (net of costs produced in the running the Members Lounge).

Note 4. Other income

| | 2023 \$ | 2022 \$ |
|---|----------------|---------------|
| - Increase/(decrease) in market value of investment | 316,704 | (152,991) |
| - Interest received | 13,829 | 7,182 |
| - Sundry income | 3,570 | 1,962 |
| - Income from restricted assets | 81,180 | 174,833 |
| Other income | <u>415,283</u> | <u>30,986</u> |

Interest income

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

Dividend and distribution revenue

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

Note 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:

| | 2023 \$ | 2022 \$ |
|----------------------------------|------------|------------|
| Depreciation | 4,749 | 2,688 |
| Fringe benefits tax expense | 6,314 | 5,345 |
| Superannuation (i) | 180,164 | 162,724 |
| Provision for annual leave (ii) | (7,027) | 44,325 |
| Provision for long service leave | 16,585 | (1,118) |

(i) All employees of the Society receive defined contribution superannuation entitlements, for which the Society pays the fixed superannuation guarantee contribution (currently 11% 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.

(ii) In keeping pace with the increased cost of living, a CPI increase was applied to some employee wages.

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 6. Donations - Art Gallery of NSW

| | 2023 \$ | 2022 \$ |
|---|----------------|------------------|
| Contribution to AGNSW for the redevelopment of the Members' Lounge | - | 233,333 |
| Contribution to AGNSW to support AGNSW programs and exhibitions | 250,000 | 540,000 |
| Purchase of Clarice Beckett <i>Bay Road, smoke haze/Bay Road foggy morning (circa 1932)</i> from the Elizabeth Fyffe Bequest for the AGNSW | - | 147,273 |
| Purchase of Agnes Goodsir <i>The Hungarian shawl (circa 1927)</i> from Dagmar Halas Bequest for the AGNSW Collection | - | 27,560 |
| Purchase of Louise Marie-Jeanne Hersent <i>Portrait of a young woman leaning on a meridienne (1828)</i> from Art Acquisition Funds for the AGNSW Collection | - | 200,774 |
| Purchase of Dorothy Thornhill <i>Neoclassical nudes (circa 1931)</i> and Weaver Hawkins <i>Self portrait (1941)</i> from the Elizabeth Fyffe Bequest for the AGNSW | 81,180 | - |
| Purchase of artworks by First Nations women artists including <i>Mo'iam – Archer River (2022)</i> by Janet Koongotema, <i>Kapi Tjukurrpa Nungarrayi (2022)</i> by Doris Bush Nungarrayi and <i>Papuun (2022)</i> by Katjarra Butler | 85,045 | - |
| | <u>416,225</u> | <u>1,148,940</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.

Note 7. Cash and cash equivalents

| | 2023 \$ | 2022 \$ |
|------------------------------------|----------------|----------------|
| <i>Current assets</i> | | |
| Cash at bank and in hand | 444,679 | 665,899 |
| Interest bearing deposits, at call | 134,970 | 324,970 |
| | <u>579,649</u> | <u>990,869</u> |

Accounting policy for cash and cash equivalents

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.

Note 8. Trade and other receivables

| | 2023 \$ | 2022 \$ |
|------------------------------|----------------|----------------|
| <i>Current assets</i> | | |
| Trade and sundry receivables | <u>346,772</u> | <u>365,269</u> |

Accounting policy for 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.

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 9. Other assets

| | 2023 \$ | 2022 \$ |
|-----------------------|------------|------------|
| <i>Current assets</i> | | |
| Prepayments | 175,290 | 44,192 |

Note 10. Financial assets

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| <i>Current assets</i> | | |
| Bank term deposit | 399,019 | 247,133 |
| Bequest term deposit (Elizabeth Fyffe Estate - restricted bequest) | 543,116 | 110,745 |
| | <u>942,135</u> | <u>357,878</u> |
| <i>Non-current assets</i> | | |
| Managed investment portfolio | <u>2,803,787</u> | <u>2,630,084</u> |

The bequest term deposit amount of \$543,116 (2022: \$110,745) 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.

Note 11. Plant and equipment

| | 2023 \$ | 2022 \$ |
|--------------------------------|-----------------|-----------------|
| <i>Non-current assets</i> | | |
| Office equipment - at cost | 42,063 | 94,986 |
| Less: Accumulated depreciation | <u>(26,054)</u> | <u>(78,590)</u> |
| | <u>16,009</u> | <u>16,396</u> |

Reconciliations

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

| | Plant and equipment \$ |
|-----------------------------|------------------------------|
| Balance at 1 January 2023 | 16,396 |
| Additions | 4,606 |
| Disposals | (244) |
| Depreciation expense | <u>(4,749)</u> |
| Balance at 31 December 2023 | <u>16,009</u> |

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 11. Plant and equipment (continued)

Accounting policy for property, plant and equipment

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 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.

Note 12. Trade and other payables

| | 2023 \$ | 2022 \$ |
|---|----------------|----------------|
| <i>Current liabilities</i> | | |
| Trade creditors and accruals | 424,684 | 341,898 |
| Elizabeth Fyffe Estate - restricted bequest | 543,116 | 611,995 |
| | <u>967,800</u> | <u>953,893</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 artworks. The balances of such assets should be equal to unspent balances of any such restricted bequests.

Unexpended balances at year end were:

| | | |
|-------------------------|------------------|-----------|
| Elizabeth Fyffe Bequest | Financial assets | \$543,116 |
|-------------------------|------------------|-----------|

Note 13. Contract liabilities

| | 2023 \$ | 2022 \$ |
|---------------------------------|------------------|------------------|
| <i>Current liabilities</i> | | |
| Function revenue in advance | 215,458 | 273,049 |
| Subscription revenue in advance | 1,291,105 | 1,202,668 |
| | <u>1,506,563</u> | <u>1,475,717</u> |
| <i>Non-current liabilities</i> | | |
| Subscription revenue in advance | <u>284,066</u> | <u>324,466</u> |

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 13. Contract liabilities (continued)

Accounting policy for 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.

Note 14. Employee benefits

| | 2023 \$ | 2022 \$ |
|--------------------------------|----------------|----------------|
| <i>Current liabilities</i> | | |
| Annual leave | 114,925 | 111,952 |
| Long service leave | 136,560 | 133,795 |
| | <u>251,485</u> | <u>245,747</u> |
| <i>Non-current liabilities</i> | | |
| Long service leave | <u>31,204</u> | <u>29,639</u> |

Accounting policy for employee benefits

Short-term employee benefits - current liabilities

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits - non-current liabilities

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 15. Reserves

| | 2023 \$ | 2022 \$ |
|------------------------|------------------|------------------|
| Administration reserve | <u>1,000,000</u> | <u>1,000,000</u> |

Administration reserve

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

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 16. Financial assets and liabilities

| | Financial assets at amortised cost | Fair value through profit or loss | Total |
|--------------------------------------|---|---|------------------|
| | \$ | \$ | \$ |
| 31 December 2023 | | | |
| Financial assets | | | |
| Cash and cash equivalents (note 7) | 579,649 | - | 579,649 |
| Trade and other receivables (note 8) | 346,772 | - | 346,772 |
| Financial assets (note 10) | 942,135 | 2,803,787 | 3,745,922 |
| | <u>1,868,556</u> | <u>2,803,787</u> | <u>4,672,343</u> |
| Financial liabilities | | | |
| Trade and other payables (note 12) | <u>967,800</u> | <u>-</u> | <u>967,800</u> |
| | | | |
| | Financial assets at amortised cost | Fair value through profit or loss | Total |
| | \$ | \$ | \$ |
| 31 December 2022 | | | |
| Financial assets | | | |
| Cash and cash equivalents (note 7) | 990,869 | - | 990,869 |
| Trade and other receivables (note 8) | 365,269 | - | 365,269 |
| Financial assets (note 10) | 357,878 | 2,630,084 | 2,987,962 |
| | <u>1,714,016</u> | <u>2,630,084</u> | <u>4,344,100</u> |
| Financial liabilities | | | |
| Trade and other payables (note 12) | <u>953,893</u> | <u>-</u> | <u>953,893</u> |

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.

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 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.

| | 2023 \$ | 2022 \$ |
|------------------------|----------------|----------------|
| Aggregate compensation | <u>384,913</u> | <u>326,414</u> |

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Society:

| | 2023 \$ | 2022 \$ |
|---|---------------|---------------|
| Audit and financial statement preparation | <u>21,700</u> | <u>20,700</u> |

Note 19. 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.

Note 20. 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.

There 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.

Note 21. Members' guarantee

As at 31 December 2023, 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 2023, the number of members was 32,758 (2022: 33,102).

Note 22. Events after the reporting period

On 1 March 2024 Robert Heather resigned as Executive Director. The Society sincerely thanks Robert for his three years of service.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Society's operations, the results of those operations, or the Society's state of affairs in future financial years.

Art Gallery Society of New South Wales
Notes to the financial statements
31 December 2023

Note 23. Results of fundraising appeals

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

| | 2023 | 2022 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Revenue from donations | 150,904 | 194,865 |
| Luxury draw | 141,439 | 95,767 |
| Gross income from fundraising (A) | <u>292,343</u> | <u>290,632</u> |
| Cost of fundraising (B) | <u>(57,878)</u> | <u>(25,554)</u> |
| Net surplus from fundraising (C) | <u>234,465</u> | <u>265,078</u> |
| Cost of services provided (D) | - | - |
| Transfer to accumulated funds | 234,465 | 265,078 |

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

| | | |
|---|--------|--------|
| Cost of fundraising to gross income from fundraising (B/A) | 19.80% | 8.79% |
| Net surplus from fundraising to gross income from fundraising (C/A) | 80.20% | 91.21% |
| Cost of services provided to total expenditure (D/(B+D)) | - | - |
| Cost of services provided to gross income from fundraising (D/A) | - | - |

Art Gallery Society of New South Wales
Councillors' declaration
31 December 2023

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 – Simplified Disclosure, the *Australian Charities and Not-For-Profits Regulation 2013*, the *Charitable 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 2023 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.

Signed in accordance with a resolution of Councillors.

On behalf of the Councillors



President



Treasurer

30 April 2024

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 2023, 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 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified 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 2023, 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 – Simplified 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 2023.

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 2023. 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 2023.

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

A handwritten signature in blue ink, appearing to read 'C Hume', is positioned above the printed name.

C HUME
Partner

RSM Australia Partners

Sydney, 30 April 2024

RSM Australia Partners

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DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books & records of the 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 2023. 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.

A handwritten signature in blue ink, appearing to read "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read "C J Hume".

C J HUME
Partner

Sydney, NSW
Dated: 30 April 2024

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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Art Gallery Society of New South Wales
Unaudited statement of income and expenditure
31 December 2023

| | 2023 | 2022 |
|---|------------------|--------------------|
| | \$ | \$ |
| Income | | |
| Increase/(decrease) in market value of investment | 316,704 | (152,991) |
| Donations received | 150,904 | 194,865 |
| Food and beverage revenue | 883,742 | 396,744 |
| Function and events revenue | 979,094 | 728,867 |
| Interest received | 13,829 | 7,182 |
| Look revenue | 371,101 | 356,298 |
| Member subscriptions | 2,080,865 | 2,117,571 |
| Sponsorship revenue | 170,000 | 130,709 |
| Sundry income | 8,033 | 1,962 |
| Luxury draw | 141,439 | 95,767 |
| Travel program | 206,130 | 65,241 |
| Income from restricted assets | 81,180 | 174,833 |
| | 5,403,021 | 4,117,048 |
| Expenditure | | |
| Bank charges | 3,848 | 36,786 |
| Computer consumables and support | 1,981 | 1,606 |
| Cost of fundraising | 57,878 | 25,554 |
| Depreciation | 4,749 | 2,688 |
| Employee remuneration | 1,675,644 | 1,627,971 |
| Food and beverage costs | 871,512 | 461,565 |
| Fringe benefits tax | 6,314 | 5,345 |
| Function and events expense | 448,034 | 442,022 |
| General expenses | 129,646 | 153,164 |
| Insurance | 33,681 | 29,577 |
| Look costs | 715,140 | 679,252 |
| Marketing costs | 61,285 | 66,441 |
| Member benefits | 164,970 | 126,921 |
| Member facilities | 87,725 | 21,101 |
| Printing, postage and stationery | 6,149 | 8,561 |
| Professional fees | 32,190 | 39,889 |
| Provision for employee entitlements | 9,559 | 43,207 |
| Staff training and welfare | 14,466 | 13,970 |
| Superannuation | 178,855 | 162,724 |
| Travel costs | 29,566 | 29,581 |
| Travel program | 6,306 | 21,250 |
| | 4,539,498 | 3,999,175 |
| Operating surplus for the year | 863,523 | 117,873 |
| Donations - Art Gallery of NSW | (416,225) | (1,148,940) |
| Net surplus/(deficit) for the year | 447,298 | (1,031,067) |