



Migrant Resource Centre (Southern Tasmania) Incorporated

FINANCIAL STATEMENTS

30 JUNE 2022

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTES	2022 \$	2021 \$
Revenue from Operations	2	6,894,562	7,077,965
		6,894,562	7,077,965
Employee Benefits Expense	3	4,944,546	4,672,947
Operational Expenses		1,886,811	2,278,446
Depreciation and Amortisation	4	282,269	252,727
Administration Expenses		147,958	170,813
		7,261,584	7,374,933
OPERATING SURPLUS/(DEFICIT)		(367,022)	(296,968)
COVID19 Related Funding		-	745,852
TOTAL COMPREHENSIVE INCOME/ (DEFICIT) FOR THE YEAR		(367,022)	448,884

The accompanying notes form part of these financial statements.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTES	2022 \$	2021 \$
ASSETS			
<i>Current Assets</i>			
Cash	5	2,435,176	3,419,638
Receivables & Other Assets	6	150,008	62,731
Prepayments	6	113,244	19,494
Accrued Income	6	387,577	196,454
Inventory		1,646	1,359
Total Current Assets		3,087,651	3,699,676
<i>Non-current Assets</i>			
Land & Buildings	7	3,283,619	3,345,965
Furniture, Equipment & Motor Vehicles	8	260,733	307,664
Leases	9	448,982	483,777
Total Non-current Assets		3,993,334	4,137,406
TOTAL ASSETS		7,080,985	7,837,081
LIABILITIES			
<i>Current Liabilities</i>			
Creditors & Accruals	10	540,725	529,842
Employee Provisions	11(a)	388,970	393,843
Provisions		82,000	311,219
Lease Liability		147,421	102,773
Unexpended Funds	12	1,281,076	1,277,775
Borrowings	13 (a)	117,333	117,333
Total Current Liabilities		2,557,525	2,732,785
<i>Non-current Liabilities</i>			
Employee Provisions	11(b)	37,073	59,016
Lease Liability		306,558	381,098
Borrowings	13 (b)	1,474,001	1,591,334
Total Non-current Liabilities		1,817,632	2,031,448
TOTAL LIABILITIES		4,375,157	4,764,233
NET ASSETS		2,705,828	3,072,849
EQUITY			
Retained Earnings		2,700,569	2,639,619
Reserves	(p)	5,259	433,230
TOTAL EQUITY		2,705,828	3,072,849

The accompanying notes form part of these financial statements.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTES	Retained Earnings \$	Reserves	Total Equity \$
BALANCE AT 30 JUNE 2020		2,179,741	444,224	2,623,965
Surplus/(Deficit)		448,884	-	448,884
Other Comprehensive Income for the year		-	-	-
Transfers		10,994	(10,994)	-
BALANCE AT 30 JUNE 2021		2,639,619	433,230	3,072,849
Surplus/(Deficit)		(367,022)	-	(367,022)
Other Comprehensive Income for the year		-	-	-
Transfers		427,971	(427,971)	-
BALANCE AT 30 JUNE 2022		2,700,569	5,259	2,705,828

The accompanying notes form part of these financial statements.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTES	2022 \$	2021 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Grants Received		4,196,516	4,074,623
Receipts from Operations		2,369,242	3,501,472
Interest Received		8,402	10,686
Interest Paid		(11,943)	(2,738)
Payments to Suppliers and Employees		(7,294,591)	(7,306,123)
Net Cash Inflow (Outflow) from Operating Activities	15	<u>(732,374)</u>	<u>277,920</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Property, Plant & Equipment		(36,100)	(49,700)
Net Cash Inflow (Outflow) from Investing Activities		<u>(36,100)</u>	<u>(49,700)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of Borrowings		(84,000)	(98,000)
Repayment of Lease Liabilities		(131,989)	(123,789)
Net Cash Inflow (Outflow) from Financing Activities		<u>(215,989)</u>	<u>(221,789)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		(984,463)	6,431
Cash at the Beginning of the Financial Year		3,419,638	3,413,207
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	5	<u><u>2,435,175</u></u>	<u><u>3,419,638</u></u>

The accompanying notes form part of these financial statements.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
AS AT 30 JUNE 2022

1. SUMMARY OF ACCOUNTING POLICIES

General System of Accounting underlying the Financial Statements

The directors have prepared the financial statements on the basis that the Incorporated Association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Incorporated Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

AASB 101 Presentation of Financial Statements
AASB 107 Statement of Cash Flows
AASB 1031 Changes in Accounting Estimates and Errors
AASB 110 Events After Balance Sheet Date
AASB 1048 Interpretation of Standards
AASB 1054 Australian Additional Disclosures.
AASB 16 Leases
AASB 124 Related Party Disclosures

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

Accounting Policies which have been significant in the Preparation and Presentation of the Accounts

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Deferred consideration is not discounted to present values when recognising revenue.

When grant or donation revenue is received the Association has to determine whether the contract is enforceable and has sufficiently specific performance obligations. Where both attributes are present the revenue is recognised in the Statement of Financial Position as a liability until the obligation has been satisfied. Otherwise the grant is recognised as income on receipt.

Capital grants are recognised as a liability until the entity satisfies its obligations under the contract.

Interest revenue is recognised in the period in which it is earned.

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

(b) Cash and Cash Equivalents

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

(c) Receivables and Other Debtors

Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(d) Creditors and Accruals

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

(e) Employee Provisions

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2022

(f) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(g) Unexpended Grant Funding

It is the policy of the Association to treat grant monies as unexpended grant liabilities in the statement of financial position where the Association is contractually obliged to provide the services in a subsequent financial period to when the grant is received or, in the case of specific project grants, where the project has not been completed.

(h) Borrowings

Borrowings are initially measured at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings which are due to be settled within twelve months after the balance date are included in current borrowings in the statement of financial position even if the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance date are included in non-current borrowings in the statement of financial position.

(i) Land & Buildings

Land and Buildings are valued at cost less any depreciation and impairment losses.

(j) Furniture, Equipment & Motor Vehicles

Furniture, equipment and motor vehicles are measured at cost less depreciation and any impairment losses.

The carrying amount of furniture, equipment and motor vehicles is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(k) Depreciation

Depreciation is provided on all fixed assets except freehold land. Furniture and equipment depreciation is calculated on either a straight line basis or diminishing value method so as to write off the net cost of each asset during its expected useful life. Motor vehicles are depreciated on a diminishing value basis over their estimated useful economic lives. Freehold buildings are depreciated on a straight line basis.

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

Building & Improvements	2.50%
Furniture & Equipment	8%-25%
Motor Vehicles	15%-25%

(l) Income Tax

The Association is an exempt body under section 23(e) of the *Australian Income Tax Assessment Act 1936* (as amended) and in accordance with a ruling from the Deputy Commissioner of Taxation.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2022

(m) Leases

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options if lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(n) Adoption of New and Revised Accounting Standards

The Association has adopted all the new and revised Standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020.

(O) Reserves

Reserves is a combination of a COVID Related Matters reserve and Social Enterprise reserve. The COVID reserve relates to funds held for a COVID related matter. The Social Enterprise reserve relates to funds held for the MRC Tas café and catering business.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

BOARD OF MANAGEMENT DECLARATION

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

The Directors of the Association declare that:

1. The financial statements and notes present fairly the entity's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Australian Charities and Not-for-Profits Commission Act of 2012; and
2. In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Sonia Caton
Chairperson
17/10/2022



Fahim Chowdhury
Treasurer
17/10/2022

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
2. REVENUE		
Operating Revenue		
Grant Revenue	4,226,546	4,345,183
Consumer Direct Care	1,675,759	1,598,994
Subcontractor Revenue	280,003	308,953
Donations	185,100	194,361
Interest	1,108	10,687
Memberships	120	115
	6,368,636	6,458,293
Other Revenue		
Aged Care Revenue	28,627	23,803
Other Income	34,401	14,062
Retail Sales	135,156	240,399
COVID Assistance	-	96,877
Rental Income	195,748	195,597
Fee for Service	131,994	48,934
	525,926	619,672
Total Revenue	6,894,562	7,077,965
3. EMPLOYEES BENEFITS EXPENSE		
Wages & Salaries	4,062,801	3,861,726
Superannuation	415,157	379,192
Leave Provisions	325,011	327,031
Workers Compensation	49,817	49,109
Training & Development	22,688	25,339
Other Employment Costs	69,072	30,550
Total Employees Benefits Expense	4,944,546	4,672,947
4. DEPRECIATION & AMORTISATION		
Depreciation - Buildings & Improvements	62,346	62,346
Depreciation - Furniture & Equipment	63,473	58,566
Depreciation - Motor Vehicles	19,042	21,541
Depreciation - Leasehold Improvements	516	-
Amortisation - Leases	136,892	110,274
Total Depreciation & Amortisation	282,269	252,727
5. CASH & CASH EQUIVALENTS		
Operational Account	118,054	59,113
Investment Account	1,754,205	2,796,854
Migration Account	2,153	2,152
Term Deposits	556,376	555,958
Social Enterprise	-	1,424
Cash on Hand	4,388	4,137
Total Cash & Cash Equivalents	2,435,176	3,419,638

Cash is restricted to the extent of Reserves as disclosed in the Statement of Changes in Equity \$5,259 (2021: \$433,230)

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
6. RECEIVABLES AND OTHER DEBTORS		
a) Debtors & Other Assets		
Accounts Receivable	149,008	61,731
Rental Bonds Receivable	1,000	1,000
	<u>150,008</u>	<u>62,731</u>
b) Prepayments		
Prepaid Expenses	28,534	19,494
Prepaid Insurance	84,710	-
	<u>113,244</u>	<u>19,494</u>
c) Accrued Income		
Accrued Income	30,736	59,682
Accrued Income - Consumer Directed Care	356,841	136,772
	<u>387,577</u>	<u>196,454</u>
Total Receivables & Other Debtors	<u>650,829</u>	<u>278,679</u>
7. LAND & BUILDINGS		
Land	914,477	914,477
Building & Improvements	2,493,834	2,493,834
Provision for Depreciation	(124,692)	(62,346)
Total Land & Buildings	<u>3,283,619</u>	<u>3,345,965</u>
8. FURNITURE, EQUIPMENT & MOTOR VEHICLES		
Furniture and Equipment at Cost	453,347	487,945
Provision for Depreciation	(272,393)	(277,217)
Total Furniture & Equipment	<u>180,954</u>	<u>210,728</u>
Motor Vehicles at Cost	224,910	224,910
Provision for Depreciation	(147,015)	(127,974)
Total Motor Vehicles	<u>77,895</u>	<u>96,936</u>
Leasehold Improvements	2,400	-
Provision for Depreciation	(516)	-
Total Leasehold Improvements	<u>1,884</u>	<u>-</u>
Total Furniture, Equipment & Motor Vehicles	<u>260,733</u>	<u>307,664</u>

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
9. LEASES		
Right of Use Asset	578,895	648,222
Accumulated Amortisation	(129,913)	(164,445)
Total Leases	448,982	483,777

10. CREDITORS & ACCRUALS

Accruals	28,975	75,097
GST & PAYG Tax Payable / (Receivable)	81,180	75,334
Creditors	222,840	151,784
Credit Cards	29,848	24,848
Revenue Received in Advance	2,152	3,640
Superannuation Payable	2,284	37,633
Accrued Wages & Salaries	173,446	161,506
Total Creditors & Accruals	540,725	529,842

11. EMPLOYEE PROVISIONS

(a) Current Provisions

Provision for Long Service Leave - Current	73,279	78,966
Provision for Annual Leave	313,239	314,661
TIL Provision	2,452	216
Total	388,970	393,843

(b) Non - Current Provisions

Provision for Long Service Leave - Non-current	37,073	59,016
	37,073	59,016

Total Employee Provisions	426,043	452,859
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12. UNEXPENDED FUNDS

Quality & Research	59,318	74,967
Strategy & Development	42,345	150,000
Aged Care Services	143,604	108,819
Phoenix Services	167,490	141,024
Settlement Services	342,584	311,795
Consumer Direct Care	525,735	491,169
Total Unexpended Funds	1,281,076	1,277,775

Unexpended funds liability reflects income received in advance and grant funds received and unspent at the end of the financial year. Consumer Direct Care funds are partially offset by the accrued income in note 6 (c).

13. BORROWINGS

(a) Current Borrowings

Mortgage	84,000	84,000
Converting Grant Liability	33,333	33,333
Total	117,333	117,333

(b) Non - Current Borrowings

Mortgage	574,000	658,000
Converting Grant Liability	900,001	933,334
Total	1,474,001	1,591,334

Total Borrowings	1,591,334	1,708,667
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**MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
14. CONTINGENT LIABILITIES		
MRC Tas has voluntarily joined the National Redress Scheme (NRS) and the contingent liability is based on a preliminary estimate towards obligations or responsibilities that may arise via NRS.		
15. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with surplus from operations:		
Surplus/(Deficit) for the year	(367,022)	448,884
Depreciation	282,269	252,727
Changes in Assets and Liabilities		
Decrease / (Increase) in Receivables & Other Assets	(87,277)	42,838
Decrease / (Increase) in Prepayments	(93,750)	12,763
Decrease / (Increase) in Accrued Income	(191,123)	75,919
Decrease / (Increase) Inventory	(287)	(370)
(Decrease) / Increase in Employee Provisions	(26,818)	27,205
(Decrease) / Increase in Other Provisions	(229,219)	(151,230)
(Decrease) / Increase in Creditors & Accruals	10,883	(313,425)
(Decrease) / Increase in Unexpended Funds	3,303	(84,057)
(Decrease) / Increase in Other Long Term Debt	(33,333)	(33,333)
	(732,374)	277,920

16. AUDIT REMUNERATION

Remuneration of the auditor, Wise Lord & Ferguson for:

Auditing the financial statements and grant acquittals	20,300	19,400
Other non-external audit services	3,085	8,793
Total	23,385	28,193

17. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Aggregate of key management personnel compensation	528,953	608,692
	528,953	608,692

Number of Key Management Personnel	5	6
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MRC Tas is a voluntary Board and not included in the Key Management Personnel Compensation.

MIGRANT RESOURCE CENTRE (SOUTHERN TASMANIA) INCORPORATED
T/A MIGRANT RESOURCE CENTRE TASMANIA

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

18. RELATED PARTY TRANSACTIONS

The names of the Board members as at the end of the financial year and at the date of this report are:

Sonia Caton
Jeanette Banks
Fahim Chowdhury
Nicola Cox
George Elkhair
Tania Lado Insua
Victor Stojcevski
Chris Stennard

During the course of the financial year no services of the organisations in which Members of the Board have a relationship on a commercial basis has been entered into. If conflicts of interest arose Board Members have complied with the conflicts of interest policy and have, where appropriate, declined to participate in Board discussion and decision making.

19. SUBSEQUENT EVENT

There have been no significant events after the balance date of this report.

Auditor's Independence Declaration to the Directors of Migrant Resource Centre (Southern Tasmania) Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of the auditor independence requirements of the *Corporation Act 2001* or any applicable code of professional conduct in relation to the audit of the abovementioned entities.



JOANNE DOYLE

Partner

WLF Accounting & Advisory

Date: 17 October 2022

INDEPENDENT AUDITOR'S REPORT

Migrant Resource Centre (Southern Tasmania) Incorporated

Report on the Audit of the Financial Report

We have audited the financial report of Migrant Resource Centre (Southern Tasmania) Incorporated, which comprises the statement of financial position as at 30 June 2022, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year 30 June 2022 then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Board of Management's declaration.

In our opinion the financial report of Migrant Resource Centre (Southern Tasmania) Incorporated 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 Association's financial position as at 30 June 2022 and of its financial performance for the year [period] then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 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 Association in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Board of Management for the Financial Report

The Board of Management of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The Board of Management's responsibility also includes such internal control as the Board of Management's determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board of Management are responsible for overseeing the Association's financial reporting process.

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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wise Lord & Ferguson

WISE LORD & FERGUSON

A handwritten signature in dark ink, appearing to read 'Joanne Doyle', with a long horizontal line extending to the left.

JOANNE DOYLE

Partner

Wise Lord & Ferguson

Date: 17 October 2022