



# Migrant Resource Centre (Southern Tasmania) Incorporated

**FINANCIAL STATEMENTS**

30 JUNE 2021

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 2021

	NOTES	2021 \$	2020 \$
Revenue from Operations	2	7,077,965	7,653,517
		<u>7,077,965</u>	<u>7,653,517</u>
Employee Benefits Expense	3	4,672,947	4,514,644
Operational Expenses		2,278,446	2,811,812
Depreciation and Amortisation	4	252,727	236,140
Administration Expenses		170,813	61,140
		<u>7,374,933</u>	<u>7,623,736</u>
OPERATING SURPLUS/(DEFICIT)		(296,968)	29,781
COVID19 Related Funding		745,852	399,629
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>448,884</u></u>	<u><u>429,410</u></u>

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 2021

	NOTES	2021 \$	2020 \$
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash	5	3,419,638	3,413,207
Receivables & Other Assets	6	62,731	105,569
Prepayments	6	19,494	32,257
Accrued Income	6	196,454	272,373
Inventory		1,359	989
<b>Total Current Assets</b>		<b>3,699,676</b>	<b>3,824,395</b>
<i>Non-current Assets</i>			
Land & Buildings	7	3,345,965	3,398,399
Furniture, Equipment & Motor Vehicles	8	307,664	347,983
Leases	9	483,777	124,091
<b>Total Non-current Assets</b>		<b>4,137,406</b>	<b>3,870,473</b>
<b>TOTAL ASSETS</b>		<b>7,837,081</b>	<b>7,694,868</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Creditors & Accruals	10	529,842	843,267
Employee Provisions	11(a)	393,843	375,719
Provisions		311,219	233,230
Lease Liability		102,773	114,468
Unexpended Funds	12	1,277,775	1,361,832
Borrowings	13 (a)	117,333	143,391
<b>Total Current Liabilities</b>		<b>2,732,786</b>	<b>3,071,907</b>
<i>Non-current Liabilities</i>			
Employee Provisions	11(b)	59,016	49,936
Provisions		-	229,219
Lease Liability		381,098	11,174
Borrowings	13 (b)	1,591,334	1,708,667
<b>Total Non-current Liabilities</b>		<b>2,031,448</b>	<b>1,998,996</b>
<b>TOTAL LIABILITIES</b>		<b>4,764,234</b>	<b>5,070,903</b>
<b>NET ASSETS</b>		<b>3,072,848</b>	<b>2,623,966</b>
<b>EQUITY</b>			
Retained Earnings		2,639,620	2,179,741
Reserves		433,229	444,224
<b>TOTAL EQUITY</b>		<b>3,072,849</b>	<b>2,623,965</b>

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 2021

	NOTES	Retained Earnings \$	Reserves	Total Equity \$
<b>BALANCE AT 30 JUNE 2019</b>		2,194,555	-	2,194,555
Surplus/(Deficit)		429,410	-	429,410
Other Comprehensive Income for the year		-	-	-
Transfers		(444,224)	444,224	-
<b>BALANCE AT 30 JUNE 2020</b>		<b>2,179,741</b>	<b>444,224</b>	<b>2,623,965</b>
Surplus/(Deficit)		448,884	-	448,884
Other Comprehensive Income for the year		-	-	-
Transfers		10,995	(10,995)	-
<b>BALANCE AT 30 JUNE 2021</b>		<b>2,639,620</b>	<b>433,229</b>	<b>3,072,849</b>

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 2021

	NOTES	2021 \$	2020 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Operating Grants Received		4,074,623	3,990,272
Receipts from Operations		3,501,472	4,721,909
Interest Received		10,686	41,496
Interest Paid		(2,738)	(7,361)
Payments to Suppliers and Employees		(7,306,123)	(6,880,267)
Net Cash Inflow (Outflow) from Operating Activities	15	<u>277,920</u>	<u>1,866,049</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for Property, Plant & Equipment		(49,700)	(1,639,977)
Net Cash Inflow (Outflow) from Investing Activities		<u>(49,700)</u>	<u>(1,639,977)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayment of Borrowings		(98,000)	-
Repayment of Lease Liabilities		(123,789)	(160,021)
Net Cash Inflow (Outflow) from Financing Activities		<u>(221,789)</u>	<u>(160,021)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		6,431	66,051
Cash at the Beginning of the Financial Year		3,413,207	3,347,156
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	5	<u><u>3,419,638</u></u>	<u><u>3,413,207</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 2021

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 108 Accounting Policies, 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

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 2021

**(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.

**(m) Related Party Transactions**

During the course of the financial year no services of 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.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS  
AS AT 30 JUNE 2021

**(n) 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.

**(o) 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.



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 2021

	2021	2020
	\$	\$
<b>2. REVENUE</b>		
<b>Operating Revenue</b>		
Government Grants	4,345,183	3,599,875
Consumer Direct Care	1,598,994	1,100,811
Subcontractor Revenue	308,953	1,978,304
Donations	194,361	66,745
Interest	10,687	41,883
Memberships	115	100
	<b>6,458,293</b>	<b>6,787,718</b>
<b>Other Revenue</b>		
Aged Care Revenue	23,803	27,456
Other Income	14,062	19,379
Retail Sales	240,399	88,067
COVID Assistance	96,877	181,014
Rental Income	195,597	459,250
Fee for Service	48,934	90,633
	<b>619,672</b>	<b>865,799</b>
<b>Total Revenue</b>	<b>7,077,965</b>	<b>7,653,517</b>
<b>3. EMPLOYEES BENEFITS EXPENSE</b>		
Wages & Salaries	3,861,726	3,763,265
Superannuation	379,192	349,499
Leave Provisions	327,031	263,295
Workers Compensation	49,109	49,034
Training & Development	25,339	24,637
Other Employment Costs	30,550	64,915
<b>Total Employees Benefits Expense</b>	<b>4,672,947</b>	<b>4,514,644</b>
<b>4. DEPRECIATION &amp; AMORTISATION</b>		
Depreciation - Furniture & Equipment	120,912	66,307
Depreciation - Motor Vehicles	21,541	20,858
Amortisation - Leases	110,274	148,975
<b>Total Depreciation &amp; Amortisation</b>	<b>252,727</b>	<b>236,140</b>
<b>5. CASH &amp; CASH EQUIVALENTS</b>		
ANZ Operational Account	59,113	334,804
ANZ Investment Account	2,796,854	2,511,663
ANZ Migration Account	2,152	8,758
ANZ Term Deposits	555,958	553,588
ANZ Social Enterprise	1,424	506
Cash on Hand	4,137	3,888
<b>Total Cash &amp; Cash Equivalents</b>	<b>3,419,638</b>	<b>3,413,207</b>

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 2021

	2021 \$	2020 \$
<b>6. RECEIVABLES AND OTHER DEBTORS</b>		
<b>a) Debtors &amp; Other Assets</b>		
Accounts Receivable	61,731	100,069
Rental Bonds Receivable	1,000	5,500
	<u>62,731</u>	<u>105,569</u>
<b>b) Prepayments</b>		
Prepaid Expenses	19,494	9,039
Prepaid Insurance	-	23,218
	<u>19,494</u>	<u>32,257</u>
<b>c) Accrued Income</b>		
Accrued Income	59,682	269,108
Accrued Income - CDC	136,772	3,265
	<u>196,454</u>	<u>272,373</u>
 <b>Total Receivables &amp; Other Debtors</b>	 <u><u>278,679</u></u>	 <u><u>410,199</u></u>
 <b>7. LAND &amp; BUILDINGS</b>		
Land	914,477	914,477
Building & Improvements	2,493,834	2,493,834
Provision for Depreciation	(62,346)	(9,912)
<b>Total Land &amp; Buildings</b>	<u><u>3,345,965</u></u>	<u><u>3,398,399</u></u>
 <b>8. FURNITURE, EQUIPMENT &amp; MOTOR VEHICLES</b>		
Furniture and Equipment at Cost	487,945	459,955
Provision for Depreciation	(277,217)	(208,739)
<b>Total Furniture &amp; Equipment</b>	<u>210,728</u>	<u>251,216</u>
Motor Vehicles at Cost	224,910	203,200
Provision for Depreciation	(127,974)	(106,433)
<b>Total Motor Vehicles</b>	<u>96,936</u>	<u>96,767</u>
 <b>Total Furniture, Equipment &amp; Motor Vehicles</b>	 <u><u>307,664</u></u>	 <u><u>347,983</u></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 2021

	2021	2020
	\$	\$
<b>9. LEASES</b>		
Right of Use Asset	648,222	273,066
Accumulated Amortisation	(164,445)	(148,975)
<b>Total Leases</b>	<b>483,777</b>	<b>124,091</b>
<b>10. CREDITORS &amp; ACCRUALS</b>		
Accruals	75,097	177,774
GST & PAYG Tax Payable / (Receivable)	75,334	157,091
Creditors	151,784	183,764
Credit Cards	24,848	16,853
Revenue Received in Advance	3,640	156,810
Superannuation Payable	37,633	27,698
Accrued Wages & Salaries	161,506	123,277
<b>Total Creditors &amp; Accruals</b>	<b>529,842</b>	<b>843,267</b>
<b>11. EMPLOYEE PROVISIONS</b>		
<b>(a) Current Provisions</b>		
Provision for Long Service Leave - Current	78,966	90,764
Provision for Annual Leave	314,661	284,576
TIL Provision	216	379
<b>Total</b>	<b>393,843</b>	<b>375,719</b>
<b>(b) Non - Current Provisions</b>		
Provision for Long Service Leave - Non-current	59,016	49,936
	<b>59,016</b>	<b>49,936</b>
<b>Total Employee Provisions</b>	<b>452,859</b>	<b>425,655</b>
<b>12. UNEXPENDED FUNDS</b>		
Quality & Research	74,967	6,000
Strategy & Development	150,000	-
Aged Care Services	599,989	559,078
Phoenix Services	141,024	237,425
Settlement Services	311,795	559,329
<b>Total Unexpended Funds</b>	<b>1,277,775</b>	<b>1,361,832</b>
Unexpended funds liability reflects income received in advance and grant funds received and unspent at the end of the financial year.		
<b>13. BORROWINGS</b>		
<b>(a) Current Borrowings</b>		
Car Loan	-	12,058
Mortgage	84,000	98,000
Converting Grant Liability	33,333	33,333
<b>Total</b>	<b>117,333</b>	<b>143,391</b>
<b>(b) Non - Current Borrowings</b>		
Mortgage	658,000	742,000
Converting Grant Liability	933,334	966,667
<b>Total</b>	<b>1,591,334</b>	<b>1,708,667</b>
<b>Total Borrowings</b>	<b>1,708,667</b>	<b>1,852,058</b>

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 2021

	2021	2020
	\$	\$

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	448,884	429,410
Depreciation	252,727	236,140
<b>Changes in Assets and Liabilities</b>		
Decrease / (Increase) in Receivables & Other Assets	42,838	487,804
Decrease / (Increase) in Prepayments	12,763	67,706
Decrease / (Increase) in Accrued Income	75,919	(214,588)
Decrease / (Increase) Inventory	(370)	(988)
(Decrease) / Increase in Employee Provisions	27,205	78,685
(Decrease) / Increase in Other Provisions	(151,230)	462,449
(Decrease) / Increase in Creditors & Accruals	(313,425)	33,931
(Decrease) / Increase in Unexpended Funds	(84,057)	285,500
(Decrease) / Increase in Other Long Term Debt	(33,333)	-
	<b>277,920</b>	<b>1,866,049</b>

16. AUDIT REMUNERATION

Remuneration of the auditor, Wise Lord & Ferguson for:

Auditing the financial statements and grant acquittals	19,400	18,550
Other non-external audit services	8,793	484
<b>Total</b>	<b>28,193</b>	<b>19,034</b>

17. SUBSEQUENT EVENT

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

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 2021 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:



Nicholas Bedding  
Chairperson  
12-Oct-21



Chris Stennard  
Treasurer  
12-Oct-21

## 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 balance sheet as at 30 June 2021, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 2021 and of its financial performance for the year 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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the 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 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 responsible entities either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 responsible entities.
- Conclude on the appropriateness of responsible entities' 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 those charged with governance 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.



JOANNE DOYLE

Partner

Wise Lord & Ferguson

Date: 12 October 2021