

Multicultural Communities Council of SA Inc

ABN 13 253 714 844

Financial Statements - 30 June 2021

Multicultural Communities Council of SA Inc

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30 June 2021

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Multicultural Communities Council of SA Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Grants received	3	1,931,437	1,320,513
Government assistance	4	487,600	152,000
Other income	5	46,367	87,521
Total revenue		<u>2,465,404</u>	<u>1,560,034</u>
Expenses			
Operating expenses	6	(681,110)	(463,183)
Employee benefits expense		(1,294,697)	(1,058,842)
Depreciation expense		(39,463)	(44,333)
Finance costs		(208)	(49)
Total expenses		<u>(2,015,478)</u>	<u>(1,566,407)</u>
Surplus/(deficit) for the year		449,926	(6,373)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		<u>-</u>	<u>224,283</u>
Other comprehensive income for the year		<u>-</u>	<u>224,283</u>
Total comprehensive income for the year		<u><u>449,926</u></u>	<u><u>217,910</u></u>

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

Multicultural Communities Council of SA Inc
Statement of financial position
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,519,800	515,024
Trade and other receivables	8	60,250	31,980
Total current assets		<u>1,580,050</u>	<u>547,004</u>
Non-current assets			
Other financial assets	9	837,967	833,786
Property, plant and equipment	10	1,659,310	1,665,832
Total non-current assets		<u>2,497,277</u>	<u>2,499,618</u>
Total assets		<u>4,077,327</u>	<u>3,046,622</u>
Liabilities			
Current liabilities			
Trade and other payables	11	119,380	98,618
Employee benefits	12	205,656	142,888
Grants in advance	13	767,487	244,187
Total current liabilities		<u>1,092,523</u>	<u>485,693</u>
Non-current liabilities			
Employee benefits	12	-	26,051
Total non-current liabilities		<u>-</u>	<u>26,051</u>
Total liabilities		<u>1,092,523</u>	<u>511,744</u>
Net assets		<u>2,984,804</u>	<u>2,534,878</u>
Equity			
Reserves	14	883,274	883,274
Retained surpluses		<u>2,101,530</u>	<u>1,651,604</u>
Total equity		<u>2,984,804</u>	<u>2,534,878</u>

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

Multicultural Communities Council of SA Inc
Statement of changes in equity
For the year ended 30 June 2021

	Asset revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2019	658,991	1,657,977	2,316,968
Deficit for the year	-	(6,373)	(6,373)
Other comprehensive income for the year	224,283	-	224,283
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	224,283	(6,373)	217,910
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	<u>883,274</u>	<u>1,651,604</u>	<u>2,534,878</u>
	Asset revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	883,274	1,651,604	2,534,878
Surplus for the year	-	449,926	449,926
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	449,926	449,926
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2021	<u>883,274</u>	<u>2,101,530</u>	<u>2,984,804</u>

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

Multicultural Communities Council of SA Inc
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from Government grants, services and memberships		3,221,861	1,708,522
Payments to suppliers and employees		(2,184,475)	(1,582,751)
Interest received		4,720	17,591
Interest paid		(208)	(49)
		<u>1,041,898</u>	<u>143,313</u>
Net cash from operating activities			
Cash flows from investing activities			
Payments for investments		(4,181)	(14,752)
Payments for property, plant and equipment	10	(32,941)	(32,803)
Proceeds from disposal of investments		-	80,221
		<u>(37,122)</u>	<u>32,666</u>
Net cash from/(used in) investing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		1,004,776	175,979
Cash and cash equivalents at the beginning of the financial year		<u>515,024</u>	<u>339,045</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,519,800</u></u>	<u><u>515,024</u></u>

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

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2021

Note 1. General information

The financial statements cover the Multicultural Communities Council of SA Inc as an individual entity. The financial statements are presented in Australian dollars, which is Multicultural Communities Council of SA Inc's functional and presentation currency.

Multicultural Communities Council of SA Inc is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

113 Gilbert St, Adelaide SA 5000

The financial statements were authorised for issue on 26 October 2021.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Association 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.

New or amended Accounting Standards and Interpretations not yet adopted

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

This standard is applicable from 1 July 2021 and provides a single standard containing all the disclosure requirements for an entity preparing General Purpose Financial Statements under the new Tier 2 reporting framework with simplified disclosures. The new standard replaces the current Reduced Disclosure Regime (RDR) disclosures. Entities applying AASB 1060 are exempt from the requirements of disclosure paragraphs in other Australian Accounting Standards (AAS) and are not required to comply with presentation and disclosure specific AAS.

Basis of preparation

In the Board Members' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Multicultural Communities Council of SA Inc.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standard and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cashflows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or current valuation of non-current assets, unless specifically stated.

Revenue recognition

The Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

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.

Government subsidies and grants

Revenue from Government subsidies and grants is recognised in the statement of profit or loss and comprehensive income when the entity obtains control of the revenue, it is probable that the economic benefits gained from the revenue will flow to the entity and the amount of revenue can be measured reliably.

Donations

Donations collected are recognised as revenue when the Association gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Association is a charitable institution in terms of subsection 50-5 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 Association'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 Association'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.

Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

Note 2. Significant accounting policies (continued)

Financial instruments are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial liabilities

The Association's financial liabilities have been subsequently measured at amortised cost.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Association has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Association 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 Association'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.

Goods and Services Tax ('GST')

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.

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.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2021

Note 3. Grants received

	2021	2020
	\$	\$
ACCC Development Grant	20,000	-
Active and Connected Communities	-	43,738
Ageing Well	25,000	40,000
Australian Gas Network (UK)	4,698	-
Carer SA	17,618	4,000
Carers Retreat	-	32,178
Community	96,790	-
Community Connections	47,950	-
Community Visitors Scheme	264,600	190,400
COVID-19 Social Strategies	30,000	-
Disaster Resilience	-	91,960
ILC Grant	211,750	-
Inclusive Communities	154,530	152,235
Intercultural Youth Leaders	-	48,800
Men's Group DPC	298	-
Miscellaneous	44,197	-
Other grants received	19,198	8,481
Palliative Care	97,000	6,000
PIRSA	10,000	-
Reconnect	241,843	237,046
RTS Cultural Project	9,034	-
Sector Support and Advocacy	240,485	230,000
Speak My Language	52,769	-
Transport	173,145	170,586
Uniting SA	-	20,000
Waste	-	10,000
Wellbeing	85,232	2,768
Westpac Impact Grant	300	-
Youth Development/Engagement	85,000	32,321
	<u>1,931,437</u>	<u>1,320,513</u>

Note 4. Government assistance

	2021	2020
	\$	\$
ATO Jobkeeper	437,600	102,000
ATO Cashflow boost	50,000	50,000
	<u>487,600</u>	<u>152,000</u>

Note 5. Other income

	2021	2020
	\$	\$
Operating income	39,233	54,970
Other income	7,134	32,551
	<u>46,367</u>	<u>87,521</u>

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2021

Note 6. Operating expenses

	2021	2020
	\$	\$
Consulting and contracting	83,672	32,765
Programme expense	353,995	219,456
Conferences & meetings	6,992	18,802
Travel expenses	15,539	20,741
Advertising	3,630	8,520
Cleaning	10,800	9,998
Communication	6,086	7,247
Computer expenses	62,551	19,688
Dues and subscriptions	4,177	4,118
Events	2,188	4,707
Gas and electricity	6,108	5,697
Insurance	8,286	10,843
Motor vehicle expenses	16,874	30,035
Rates and taxes	7,110	7,032
Office supplies	5,885	6,289
Printing and reproduction	13,249	15,052
Auditing fees	9,326	9,112
Rent	3,907	-
Repair and maintenance	21,612	3,056
Venue hire	4,055	10,678
Other expenses	35,068	19,347
	<u>681,110</u>	<u>463,183</u>

Note 7. Cash and cash equivalents

	2021	2020
	\$	\$
<i>Current assets</i>		
Cash on hand	500	500
Cash at bank	1,519,300	514,524
	<u>1,519,800</u>	<u>515,024</u>

Accounting policy for cash and cash equivalents

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

	2021	2020
	\$	\$
<i>Current assets</i>		
Trade receivables	24,610	22,776
Other receivables	35,640	9,204
	<u>60,250</u>	<u>31,980</u>

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2021

Note 9. Other financial assets

	2021 \$	2020 \$
<i>Non-current assets</i>		
Term deposit held with ANZ Bank	837,967	833,786

Note 10. Property, plant and equipment

	2021 \$	2020 \$
<i>Non-current assets</i>		
Land - at independent valuation	830,000	830,000
Buildings - at independent valuation	690,850	690,850
Less: Accumulated depreciation	(4,122)	(1,752)
	<u>686,728</u>	<u>689,098</u>
Plant and equipment - at cost	201,071	194,109
Less: Accumulated depreciation	(125,059)	(106,612)
	<u>76,012</u>	<u>87,497</u>
Motor vehicles - at cost	182,151	182,151
Less: Accumulated depreciation	(147,380)	(137,285)
	<u>34,771</u>	<u>44,866</u>
Computer equipment - at cost	138,288	112,309
Less: Accumulated depreciation	(106,489)	(97,938)
	<u>31,799</u>	<u>14,371</u>
	<u><u>1,659,310</u></u>	<u><u>1,665,832</u></u>

Reconciliations

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

	Land \$	Buildings \$	Motor vehicles \$	Plant and equipment \$	Computer equipment \$	Total \$
Balance at 1 July 2020	830,000	689,098	44,866	87,497	14,371	1,665,832
Additions	-	-	-	6,962	25,979	32,941
Depreciation expense	-	(2,370)	(10,095)	(18,447)	(8,551)	(39,463)
Balance at 30 June 2021	<u><u>830,000</u></u>	<u><u>686,728</u></u>	<u><u>34,771</u></u>	<u><u>76,012</u></u>	<u><u>31,799</u></u>	<u><u>1,659,310</u></u>

Accounting policy for property, plant and equipment

Land and buildings are shown at fair value based on valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2021

Note 10. Property, plant and equipment (continued)

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 diminishing value method to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant and equipment	5 years
Motor vehicle	5 years
Computer equipment	2.5 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. 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 11. Trade and other payables

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	43,407	34,791
Superannuation payable	36,672	34,303
BAS payable	39,301	29,524
	<u>119,380</u>	<u>98,618</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Association 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.

Note 12. Employee benefits

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Annual leave	112,515	89,816
Long service leave	93,141	53,072
	<u>205,656</u>	<u>142,888</u>
<i>Non-current liabilities</i>		
Long service leave	-	26,051
	<u>205,656</u>	<u>168,939</u>

Accounting policy for employee benefits

Short-term employee benefits

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.

Multicultural Communities Council of SA Inc
Notes to the financial statements
30 June 2021

Note 12. Employee benefits (continued)

Other long-term employee benefits

Liabilities for long service leave expected to be settled later than 12 months after the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 13. Grants in advance

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Visitor scheme	-	37,100
ILC	174,541	-
Speak My Language	131,300	-
Westpac Impact	49,700	-
Community Connections	251,310	-
Youth Development (UK)	-	40,000
Australia Gas Network (Uk)	20,302	-
Men's Group DPC	26,702	-
LDAT	10,000	-
Aging well	55,000	20,000
Palliative care	-	19,000
Carer SA	13,632	6,250
COVID-19 Social Strategies	-	30,000
Office for ageing seniors funding	-	2,405
Commissioners community conversations	5,000	5,000
Wellbeing	-	55,232
Other sundry grants	30,000	29,200
	<u>767,487</u>	<u>244,187</u>

Note 14. Reserves

	2021	2020
	\$	\$
Asset revaluation reserve	<u>883,274</u>	<u>883,274</u>

Asset revaluation reserve

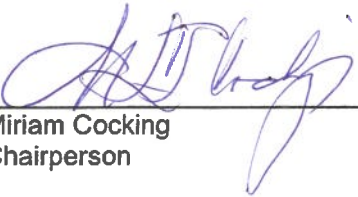
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Multicultural Communities Council of SA Inc
Board Members' declaration
30 June 2021

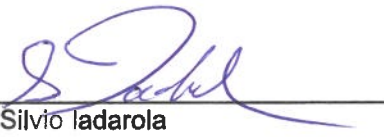
In the Board Members' opinion:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Board Members



Miriam Cocking
Chairperson



Silvio Iadarola
Treasurer

26 October 2021

Independent Auditor's Report

To the Members of Multicultural Communities Council of SA Inc.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Multicultural Communities Council of SA Inc. ("the Association"), which comprises the balance sheet as at 30 June 2021, 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 Board Members' Declaration.

In our opinion, the accompanying financial report of the Association is 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 and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 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 Association in accordance with the auditor independence 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 financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Board Members for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Board Members 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 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.

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

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

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Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Conclude on the appropriateness of the 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 the Board Members 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.

We also provide the Board Members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
27 October 2021



Corey McGowan
Director

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