



Living & Learning Pakenham Inc.

ABN: 26 237 128 770

Financial Statements

For the Year Ended 31 December 2020

Living & Learning Pakenham Inc.

ABN: 26 237 128 770

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For the Year Ended 31 December 2020

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**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-C OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFIT COMMISSION ACT 2012**

To the Board of Living & Learning Pakenham Inc.:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 December 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-For-Profit Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LDAssurance
Chartered Accountants

Stephen O'Kane
Partner



Dated this 9th day of April 2021
330 Collins Street, Melbourne.

Living & Learning Pakenham Inc.

ABN: 26 237 128 770

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

	2020	2019
	\$	\$
Income		
ACFE grants	5,500	5,042
Business & community support	5,141	-
Cashflow boost	65,828	-
Course income	4,509	24,513
Interest Income	1,418	1,946
JobKeeper	260,100	-
MUSTER grants	-	87,000
Neighbourhood House income	139,276	133,336
Pre-accredited training - ACFE	201,512	224,819
Pre-accredited training - other	5,270	16,039
Projects - ACFE	-	59,870
Projects - other	99,959	48,383
Reimbursements received	4,757	29,157
Room rental	44,366	198,358
Other income	4,415	6,510
Total income	842,051	834,973
Expenses		
Administration expenses	(132,487)	(134,655)
Bad debts	-	(595)
Depreciation expense	(13,176)	(12,885)
Contract Labour	(11,654)	(65,071)
Employee expenses	(485,690)	(421,758)
Grant expenses	-	(11,009)
Marketing expenses	(3,305)	(3,199)
MUSTER expenses	(9,340)	(71,581)
Interest paid	(4)	(2)
Superannuation	(39,428)	(35,363)
WorkCover	(4,678)	(5,156)
Total expenses	(699,762)	(761,274)
Profit for the year	142,289	73,699
Other comprehensive income		
Other comprehensive income	-	-
Total comprehensive income for the year	142,289	73,699

The accompanying notes form part of these financial statements.

Living & Learning Pakenham Inc.

ABN: 26 237 128 770

Statement of Financial Position As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	420,780	215,100
Trade and other receivables	5	2,361	9,314
Prepaid expenses		2,577	2,193
TOTAL CURRENT ASSETS		425,718	226,607
NON-CURRENT ASSETS			
Property, plant and equipment	6	49,459	50,525
TOTAL NON-CURRENT ASSETS		49,459	50,525
TOTAL ASSETS		475,177	277,132
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	24,588	79,814
Lease liabilities		1,529	1,529
Employee benefits	8	68,547	34,097
Income in advance		120,880	22,696
TOTAL CURRENT LIABILITIES		215,544	138,136
NON-CURRENT LIABILITIES			
Lease liabilities		637	2,166
Employee benefits	8	10,015	30,138
TOTAL NON-CURRENT LIABILITIES		10,652	32,304
TOTAL LIABILITIES		226,196	170,440
NET ASSETS		248,981	106,692
EQUITY			
Accumulated surplus		248,981	106,692
TOTAL EQUITY		248,981	106,692

The accompanying notes form part of these financial statements.

Living & Learning Pakenham Inc.

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

2020

	Accumulated Surplus
	\$
Balance at 1 January 2020	<u>106,692</u>
Profit / (loss) for the year	<u>142,289</u>
Balance at 31 December 2020	<u><u>248,981</u></u>

2019

	Accumulated Surplus
	\$
Balance at 1 January 2019	<u>32,993</u>
Profit / (loss) for the year	<u>73,699</u>
Balance at 31 December 2019	<u><u>106,692</u></u>

The accompanying notes form part of these financial statements.

Living & Learning Pakenham Inc.

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Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts in the course of operations	990,981	836,774
Interest received	1,418	1,946
Cash payments in the course of operations	(773,076)	(727,865)
Interest paid	(4)	(2)
Net cash flows from operating activities	12 <u>219,319</u>	<u>110,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(12,111)</u>	(9,110)
Net cash provided by/(used in) investing activities	<u>(12,111)</u>	<u>(9,110)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	(3,059)
Payment of leases	<u>(1,529)</u>	(3,875)
Net cash provided by/(used in) financing activities	<u>(1,529)</u>	<u>(6,934)</u>
Net increase/(decrease) in cash and cash equivalents held	205,679	94,809
Cash and cash equivalents at beginning of year	<u>215,101</u>	120,292
Cash and cash equivalents at end of financial year	4 <u><u>420,780</u></u>	<u><u>215,101</u></u>

The accompanying notes form part of these financial statements.

Living & Learning Pakenham Inc.

ABN: 26 237 128 770

Notes to the Financial Statements

For the Year Ended 31 December 2020

The financial report covers Living & Learning Pakenham Inc. as an individual entity. Living & Learning Pakenham Inc. is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Living & Learning Pakenham Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Associations Incorporations Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include management of education events, vaccinations, presentations at symposiums.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Association considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Association gains control of the asset

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Plant and equipment and building improvements are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Building improvements	10%
Furniture, Fixtures and Fittings	20% - 33%
Office Equipment	10% - 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

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

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Leases

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(i) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

Living & Learning Pakenham Inc.

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

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates - employee benefits

As described in the accounting policies, employee benefits are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	271	271
Cheque account	260,832	88,189
Term deposits	50,000	50,952
Deposit accounts	109,677	75,688
	<u>420,780</u>	<u>215,100</u>

5 Trade and other receivables

CURRENT

Trade debtors	2,227	9,180
Sundry debtors	134	134
Total current trade and other receivables	<u>2,361</u>	<u>9,314</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Living & Learning Pakenham Inc.

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

6 Property, plant and equipment

	2020	2019
	\$	\$
Building improvements		
At cost	43,708	43,708
Accumulated Depreciation	(29,887)	(25,516)
Total building improvements	13,821	18,192
Office Furniture		
At cost	62,663	59,787
Accumulated depreciation	(56,016)	(53,533)
Total office furniture	6,647	6,254
Equipment & furnishings		
At cost	238,458	229,223
Accumulated depreciation	(209,467)	(203,144)
Total equipment & furnishings	28,991	26,079
Total property, plant and equipment	49,459	50,525

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building improvements	Office furniture	Equipment & furnishings	Total
	\$	\$	\$	\$
Year ended 31 December 2020				
Balance at the beginning of year	18,192	6,254	26,079	50,525
Additions	-	2,875	9,235	12,110
Depreciation expense	(4,371)	(2,482)	(6,323)	(13,176)
Balance at the end of the year	13,821	6,647	28,991	49,459
Year ended 31 December 2019				
Balance at the beginning of year	22,563	2,654	29,082	54,299
Additions	-	6,578	2,533	9,111
Depreciation expense	(4,371)	(2,978)	(5,536)	(12,885)
Balance at the end of the year	18,192	6,254	26,079	50,525

Living & Learning Pakenham Inc.

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

7 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	14,694	72,168
PAYG payable	5,286	3,798
Superannuation payable	4,608	3,848
	<u>24,588</u>	<u>79,814</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8 Employee Benefits

CURRENT

Long service leave	29,431	8,625
Annual leave	39,116	25,472
	<u>68,547</u>	<u>34,097</u>

NON-CURRENT

Long service leave	10,015	30,138
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9 Auditors' Remuneration

Remuneration of the auditor LDAssurance, for:

Audit and assistance with the preparation of the financial statements

	<u>5,500</u>	<u>5,500</u>
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10 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2020 (31 December 2019: None).

11 Related Parties

The members of the Board for the year were:

Ian Fraser	President
Tony Ross	Vice President
Tina Valentine	Secretary
Joshua Chakuse	Treasurer (resigned 15 January 2021)
Lauren Murphy	Board member
Marian Matic	Board member

All Board members of Living & Learning Pakenham Inc. act in an honorary capacity. No Board member received or was entitled to receive a fee solely by virtue of their position as a Board member.

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

12 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit for the year	142,289	73,699
Non-cash items		
Depreciation	13,176	12,885
Changes in assets and liabilities		
(Increase) / decrease in trade and other debtors	6,953	304
(Increase) / decrease in prepayments	(384)	(1,635)
Increase / (decrease) in payables	(55,226)	55,439
Increase / (decrease) in provisions	14,327	39,246
Increase / (decrease) in income in advance	98,184	(69,085)
Cashflows from operations	<u>219,319</u>	<u>110,853</u>

(b) Borrowing facilities

The following facilities were available at the end of the reporting period:

Total facilities		
Bank overdraft	50,000	50,000
Credit Card	1,000	1,000
	<u>51,000</u>	<u>51,000</u>
Used at reporting date		
Bank overdraft	-	-
Credit Card	732	655
	<u>732</u>	<u>655</u>
Unused at reporting date		
Bank overdraft	50,000	50,000
Credit Card	268	345
	<u>50,268</u>	<u>50,345</u>

13 Events after the end of the Reporting Period

In March 2020, COVID-19 was declared a global pandemic by the World Health Organisation. This is expected to have an impact on the Association's operations and cash flows in the 2021 financial year. The extent of the impact on the 2021 financial year cannot yet be determined.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

14 Statutory Information

Living & Learning Pakenham Inc.

ABN: 26 237 128 770

Notes to the Financial Statements

For the Year Ended 31 December 2020

14 Statutory Information

The registered office and principal place of business of the association is:

Living & Learning Pakenham Inc.

6B Henry Street

Pakenham VIC 3810

Living & Learning Pakenham Inc.

ABN: 26 237 128 770

Statement by the Board

In the opinion of the Board of Living Learning Pakenham Inc.:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporations Reform Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Dr Ian Fraser

A handwritten signature in black ink, appearing to read "Ian Fraser", written over a horizontal dotted line.

Dated 09/04/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVING & LEARNING PAKENHAM INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Living & Learning Pakenham Inc. ('the Association'), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board.

In our opinion, the accompanying financial report of Living & Learning Pakenham Inc. has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- ii. complying with 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 as 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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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 to for the purpose of fulfilling the Association financial reporting requirements of the *Associations Incorporation Reform Act 2012* and 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.

Responsibilities of the Board for the Financial Report

The Board is 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 Australian Accounting Standards, the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. The Board's responsibility also includes such internal control as it determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Responsibilities of the Board for the Financial Report (continued)

In preparing the financial report, the Board 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 the Board either intends 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 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.
- Conclude on the appropriateness of the Board'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 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.

LDAssurance
Chartered Accountants



Stephen O'Kane
Partner

Dated this 9th day of April 2021
330 Collins Street, Melbourne.