

Life Education Centre Foundation Qld Inc.

ABN 17 760 280 660

Annual Report - 30 June 2023

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	2023	2022
	\$	\$
Program revenue		
School service fees and sales of publications	1,297,365	1,077,828
Less: cost of goods sold	<u>(26,577)</u>	<u>(57,914)</u>
Total program revenue	<u>1,270,788</u>	<u>1,019,914</u>
Other revenue		
Fundraising, donations, bequests and sponsorship	2,128,354	2,948,311
Grants received	2,138,695	2,381,523
Franchise and membership fee	25,680	57,256
Interest income	27,274	480
Other income	<u>19,193</u>	<u>35,716</u>
Total other revenue	<u>4,339,196</u>	<u>5,423,286</u>
Total revenue	<u>5,609,984</u>	<u>6,443,200</u>
Operating expenses		
Bank charges	48,615	23,307
Consultancy, audit and computer fees	50,317	52,585
Advertising and promotions	76,120	102,997
Committee expenses	321,020	376,599
Fundraising expenses	168,719	1,503,370
Sundry expenses	84,170	83,115
Motor vehicle expenses, towing and travel	58,603	143,792
Information technology expenses	146,784	143,125
Telephone	35,932	34,500
Rental expense	60,237	96,848
HR and professional development	98,015	61,217
Travel costs	247,695	203,701
Postage, printing and stationery	110,883	116,374
Wages and salaries	<u>3,664,223</u>	<u>3,565,392</u>
Total operating expenses	<u>5,171,333</u>	<u>6,506,922</u>
Non-operating expense		
Interest expense	21,232	357
Depreciation	149,571	97,215
Impairment expense - Mobile classrooms	242,087	-
Other non-trading expenses	73,957	47,327
Movement in fair value of financial asset	<u>(63,954)</u>	<u>52,759</u>
Total non-operating expenses	<u>422,893</u>	<u>197,658</u>
Surplus before income tax	<u>15,758</u>	<u>(261,380)</u>
Income tax expense	-	-
Surplus/(deficit) after income tax expense attributable to members of the Association	<u>15,758</u>	<u>(261,380)</u>
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss) for the year	<u>15,758</u>	<u>(261,380)</u>

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

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	3	2,347,278	2,029,600
Trade and other receivables	4	163,018	140,487
Inventories		2,410	27,293
Financial assets	5	546,195	512,307
Other assets	6	19,192	17,348
Total current assets		3,078,093	2,727,035
Non-current assets			
Plant and equipment	7	436,791	771,297
Right-of-use assets	8	716,226	-
Total non-current assets		1,153,017	771,297
Total assets		4,231,110	3,498,332
Liabilities			
Current liabilities			
Trade and other payables	9	245,061	263,790
Employee entitlements	10	184,542	217,345
Lease liabilities	11	68,861	1,589
Other liabilities		6,499	6,057
Total current liabilities		504,963	488,781
Non-current liabilities			
Employee entitlements	10	61,229	25,155
Lease liabilities	11	664,764	-
Total non-current liabilities		725,993	25,155
Total liabilities		1,230,956	513,936
Net assets		3,000,154	2,984,396
Equity			
Retained surplus		3,000,154	2,984,396
Total equity		3,000,154	2,984,396

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

Statement of Changes in Equity

For the year ended 30 June 2023

	Reserves \$	Retained Surpluses \$	Total \$
Balance at 1 July 2021	453,366	2,792,410	3,245,776
Deficit for the year	-	(261,380)	(261,380)
Other comprehensive income for the year	-	-	-
Transfer from reserves	(453,366)	453,366	-
Balance at 30 June 2022	-	2,984,396	2,984,396
Balance at 1 July 2022	-	2,984,396	2,984,396
Surplus for the year	-	15,758	15,758
Other comprehensive income for the year	-	-	-
Balance at 30 June 2023	-	3,000,154	3,000,154

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

Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		3,687,940	4,700,443
Receipts from grants		2,138,695	2,619,675
Payments to suppliers and employees		(5,429,766)	(7,170,959)
Interest received		27,274	480
Finance costs		(21,232)	(357)
Net cash provided by operating activities		<u>402,911</u>	<u>149,282</u>
Cash flows from investing activities			
Payments for plant and equipment		(102,196)	(152,355)
Proceeds from sale of property, plant and equipment		40,843	-
Proceeds from redemption of financial assets		30,066	-
Payments to acquire financial assets		-	(517,492)
Net cash used in investing activities		<u>(31,287)</u>	<u>(669,847)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(53,946)	(5,686)
Net cash used in financing activities		<u>(53,946)</u>	<u>(5,686)</u>
Net increase (decrease) in cash and cash equivalents		317,678	(526,251)
Cash and cash equivalents at the beginning of the year		2,029,600	2,555,851
Cash and cash equivalents at the end of the year	3	<u>2,347,278</u>	<u>2,029,600</u>

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

Notes to the Financial statements

For the year ended 30 June 2023

Note 1: Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all 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.

Basis of preparation

In the members' opinion, the Association is not a 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 for the purposes of complying with the *Australian Charities and Not -for-Profits Commission Act 2012* and the *Associations Incorporation Act 1981*. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of the Association.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board ('AASB')* 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'*, *AASB 1048 'Interpretation of Standards'*, *AASB 124 'Related Party Disclosures'* and *AASB 1054 'Australian Additional Disclosures'*, as appropriate for not-for-profit entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

a. Revenue recognition

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.

Notes to the Financial statements

For the year ended 30 June 2023

Note 1: Significant accounting policies (cont.)

a. Revenue recognition (cont.)

For each contract with a customer, the incorporated association identifies the contract, identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations; 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

Program revenue

School services fees and sales of publications are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the Association receives the grant income, the grant will be recognised in the statement of profit or loss as income is received.

If conditions are attached to the grant which must be satisfied before the Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Other revenue

Other revenue is recognised when it is received or the right to receive payment is established. Events, fundraising and raffles are recognised when received or receivable.

Volunteer services

The Association has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

b. Income tax

As the Association is a charitable institution in terms of *subsection 50-B of the Income Tax Assessment Act (Commonwealth) 1997*, it is exempt from paying income tax.

c. Cash and cash equivalents

Cash and cash equivalents include 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.

Notes to the Financial statements

For the year ended 30 June 2023

Note 1: Significant accounting policies (cont.)

d. Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses. Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current.

e. Financial instruments

Initial recognition and measurement

Financial assets are recognised when the Association becomes a party to the contractual provisions of the instrument. This is equivalent to the date that the Association commits itself to either purchase or sell the asset.

The Association's financial assets are initially measured at fair value through profit or loss, with transaction costs recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial assets are subsequently measured at fair value through profit or loss based on the contractual characteristics of the financial asset.

Derecognition

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the assets is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

f. Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line and diminishing balance basis to write off the net cost of each item of Plant and equipment over their expected useful lives.

The depreciation rates used for each class of depreciable asset are as follows:

Class of fixed asset	Depreciation rate
Plant and equipment	2.5 – 50%
Motor vehicles	12 – 33.3%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of Plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the Financial statements

For the year ended 30 June 2023

Note 1: Significant accounting policies (cont.)

g. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

h. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

i. 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.

j. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Notes to the Financial statements

For the year ended 30 June 2023

Note 1: Significant accounting policies (cont.)

j. Lease liabilities (cont'd)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

k. Employee entitlements

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.

Other long-term employee benefits

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

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

l. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial statements

For the year ended 30 June 2023

Note 1: Significant accounting policies (cont.)

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

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

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2023. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the Financial statements

For the year ended 30 June 2023

Note 2: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its Plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Judgement has been exercised in considering the impairment indicators of mobile classrooms held within plant and equipment in Note 7. The mobile classrooms have not been utilised as required by management during the 2022 financial year. During the 2023 financial year, the management has recognised an impairment loss in the profit and loss and disclosed it in Note 7 of the financial statements.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Valuation of Mobile Classrooms

As disclosed in Note 7, the Association obtained an independent external valuation for four mobile classrooms and utilised a management valuation for the remaining fleet of ten. The assumptions utilised in both the independent external valuation and the management valuation contain a significant amount of judgment and estimation uncertainty.

Employee benefits provision

As discussed in Note 1, the liability for employee entitlements expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

Notes to the Financial statements

For the year ended 30 June 2023

Note 3: Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	119	406
Cash at bank	2,347,159	2,029,194
	<u>2,347,278</u>	<u>2,029,600</u>

Note 4: Trade and other receivables

	2023 \$	2022 \$
Trade receivables	148,024	140,487
Other receivables	14,994	-
	<u>163,018</u>	<u>140,487</u>

Note 5: Financial assets

	2023 \$	2022 \$
Term deposit	35,000	48,566
Security deposit	-	16,500
Vanguard share investment	511,195	447,241
	<u>546,195</u>	<u>512,307</u>

Note 6: Other assets

	2023 \$	2022 \$
Prepayments	19,192	17,348

Note 7: Plant and equipment

	2023 \$	2022 \$
Plant and equipment		
Plant and equipment – at cost	1,224,928	1,459,830
Less accumulated depreciation	(556,109)	(710,096)
Less accumulated impairment losses	(242,087)	-
Total plant and equipment	<u>426,732</u>	<u>749,734</u>
Motor vehicles		
Motor vehicles – at cost	65,048	124,657
Less accumulated depreciation	(54,989)	(103,094)
Total motor vehicles	<u>10,059</u>	<u>21,563</u>
Total Plant and equipment	<u>436,791</u>	<u>771,297</u>

Notes to the Financial statements

For the year ended 30 June 2023

Note 7: Plant and equipment (cont'd)

The Association obtained an independent external valuation for 4 mobile classrooms as at 30 June 2023 and utilised a management valuation for the remaining fleet of 10. The management valuation adopted reflects inputs and assumptions utilised in the external valuation and makes adjustments where considered necessary including for those in superior condition. As a result of the valuation adopted, the Association recognised impairment of \$242,087 for the year ended 30 June 2023.

Note 8: Right-of-use assets

	2023	2022
	\$	\$
Land and buildings		
Land and buildings - right-of-use	659,273	-
Less accumulated depreciation	<u>(38,458)</u>	<u>-</u>
Total Land and buildings	<u>620,815</u>	<u>-</u>
Plant and equipment		
Plant and equipment - right-of-use	107,337	-
Less accumulated depreciation	<u>(11,926)</u>	<u>-</u>
Total plant and equipment	<u>95,411</u>	<u>-</u>
Total Right-of-use assets	<u>716,226</u>	<u>-</u>

Note 9: Trade and other payables

	2023	2022
	\$	\$
Trade payables	152,702	170,151
Accrued expenses	53,000	45,861
GST payable	<u>39,359</u>	<u>47,778</u>
	<u>245,061</u>	<u>263,790</u>

Note 10: Employee entitlements

	2023	2022
	\$	\$
Current		
Provision for annual leave	166,683	167,443
Provision for long service leave	<u>17,859</u>	<u>49,902</u>
	<u>184,542</u>	<u>217,345</u>
Non-current		
Provision for long service leave	<u>61,229</u>	<u>25,155</u>

Notes to the Financial statements

For the year ended 30 June 2023

Note 11: Lease liabilities

	2023 \$	2022 \$
Current		
Lease liabilities	<u>68,861</u>	<u>1,589</u>
Non-current		
Lease liabilities	<u>664,764</u>	<u>-</u>
	2023 \$	2022 \$
Future lease payments		
Future lease payments are due as follows:		
Within one year	111,043	-
One to five years	398,503	-
More than five years	<u>448,937</u>	<u>-</u>
	<u>958,483</u>	<u>-</u>

Note 12: Remuneration of auditors

During the financial year the following fees were paid or are payable for services provided by the auditor of the Association:

	2023 \$	2022 \$
Auditors' remuneration		
- Audit of the financial statements	16,000	16,050
- Assistance with preparation of the financial statements	2,500	-
	<u>18,500</u>	<u>16,050</u>

Note 13: Contingencies

The Association had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 14: Commitments

The Association had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 15: Events after the reporting period

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Committees' Declaration

In the Committee's 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 the *Associations Incorporation Act 1981*.

In the Committee's opinion:

- the attached financial report and notes comply with the Accounting Standards as described in Note 1 to the financial statements;
- the attached financial report and notes give a true and fair view of the Association's financial position as at 30 June 2023 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.

This declaration is made in accordance with a resolution of the Committee.

On behalf of the Committees



MICHAEL FAWSITT
CEO

Date: 20 October 2023



INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE MEMBERS OF LIFE EDUCATION CENTRE FOUNDATION QLD INC.

Opinion

We have audited the financial report of Life Education Centre Foundation QLD Inc. (the Association), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committees' 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:

- i) giving a true and fair view of the Association's financial position as at 30 June 2023, and of its financial performance for the year then ended; and
- ii) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters - Basis of Accounting

We draw attention to Note 1 in 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 *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.

Independence

We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

Responsibilities of the Committee Members for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commission Act 2012*. The Committee Members' responsibility also includes such internal control as the Committee Members determine 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 financial report, Committee Members are 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 Committee Members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee 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 the 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 Committee Members.
- Conclude on the appropriateness of the Committee Members 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 Committee 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 Committee 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, actions taken to eliminate threats or safeguards applied.

PKF (Gold Coast)

A handwritten signature in blue ink, appearing to read 'Chris Green', written over a light blue horizontal line.

CHRISTOPHER GREEN
REGISTERED COMPANY AUDITOR

GOLD COAST
30 OCTOBER 2023