Althea Projects Incorporated

ABN: 47 280 156 982

Financial Statements

For the Year Ended 30 June 2022

Althea Projects Incorporated

ABN: 47 280 156 982

Contents

For the Year Ended 30 June 2022

INDEPENDENCE DECLARATION

TO THE MANAGEMENT COMMITTEE OF ALTHEA PROJECTS INCORPORATED FOR THE YEAR ENDED 30 JUNE 2022

We declare that, to the best of our knowledge and belief, in relation to the audit of Althea Projects Incorporated for the year ended 30 June 2022, there have been:

- no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- no contraventions of any applicable code of professional conduct.

Jessups

Paul Sapelli
Partner

Dated: 6 October 2022

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Revenue	3	**4,566,340**	4,530,184
Employee benefits expense		**(3,065,666)**	(2,992,252)
Depreciation		**(181,643)**	(165,643)
Other expenses	4	**(1,092,496)**	(1,235,622)
Profit before income tax		**226,535**	136,667
Income tax expense	2(b)	**-**	-
Profit for the year		**226,535**	136,667
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**226,535**	136,667

The accompanying notes form part of these financial statements.

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Financial Position

As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**1,267,032**	1,293,350
Trade and other receivables	6	**42,943**	61,947
Other financial assets	7	**895,797**	868,459
Prepayments		**52,067**	53,510
Other assets		**-**	9,091
TOTAL CURRENT ASSETS		**2,257,839**	2,286,357
NON-CURRENT ASSETS			
Property, plant and equipment	8	**282,281**	253,624
Right-of-use assets	9	**867,819**	634,175
TOTAL NON-CURRENT ASSETS		**1,150,100**	887,799
TOTAL ASSETS		**3,407,939**	3,174,156
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**301,923**	499,941
Lease liabilities	9	**105,695**	102,065
Employee benefits	11	**235,217**	263,724
TOTAL CURRENT LIABILITIES		**642,835**	865,730
NON-CURRENT LIABILITIES			
Lease liabilities	9	**772,902**	533,723
Employee benefits	11	**19,924**	28,960
TOTAL NON-CURRENT LIABILITIES		**792,826**	562,683
TOTAL LIABILITIES		**1,435,661**	1,428,413
NET ASSETS		**1,972,278**	1,745,743
EQUITY			
Retained earnings		**1,972,278**	1,745,743
TOTAL EQUITY		**1,972,278**	1,745,743

The accompanying notes form part of these financial statements.

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Retained Earnings	Total
	$	**$**
Balance at 1 July 2021	**1,745,743**	**1,745,743**
Profit/(loss) for the year	**226,535**	**226,535**
Balance at 30 June 2022	**1,972,278**	**1,972,278**

2021

	Retained Earnings	Total
	$	**$**
Balance at 1 July 2020	1,609,076	1,609,076
Profit/(loss) for the year	136,667	136,667
Balance at 30 June 2021	1,745,743	1,745,743

The accompanying notes form part of these financial statements.

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**4,767,111**	4,455,001
Payments to suppliers and employees		**(4,606,808)**	(4,080,142)
Dividends received		**48,486**	33,892
Interest received		**1,399**	1,254
Interest paid		**(21,404)**	(3,922)
Net cash provided by/(used in) operating activities		**188,784**	406,083
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(93,815)**	(97,121)
Purchase of investments		**(17,605)**	(15,486)
Net cash provided by/(used in) investing activities		**(111,420)**	(112,607)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		**(103,682)**	(90,497)
Net cash provided by/(used in) financing activities		**(103,682)**	(90,497)
Net increase/(decrease) in cash and cash equivalents held		**(26,318)**	202,979
Cash and cash equivalents at beginning of year		**1,293,350**	1,090,371
Cash and cash equivalents at end of financial year	5	**1,267,032**	1,293,350

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Althea Projects Incorporated as an individual entity. Althea Projects Incorporated is a not-for-profit Entity, registered and domiciled in Australia.

The principal activities of the Entity for the year ended 30 June 2022 were to strengthen and support famillies so children and young people can reach their full potential. This is achieved by delivering and supporting various projects and initiatives to support families across the community.

The functional and presentation currency of Althea Projects Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Management committee the Entity 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 *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 Entity is preparing special purpose financial statements as the Management committee is of the opinion that the Entity is not a reporting entity as users may obtain the financial information they require upon request.

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 Entity 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.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Entity are:

Grant Income

AASB 15 – Revenue from Contracts with Customers

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 obligation is satisfied.

The performance obligations are varied based on the agreement.

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.

AASB 1058 – Income of Not-for-Profit Entities

Amounts arising from grants in the scope of AASB 1058 (i.e. contracts which are either not enforceable or do not have sufficiently specific performance obligations) are recognised at the assets fair value when the asset is received. The Entity 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 and Fundraising

Donations collected and fundraising income are recognised as revenue when the Entity gains control of the asset.

Other income

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

(b) Income Tax

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

2 Summary of Significant Accounting Policies

(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.

(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 nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Entity, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Entity 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.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Classification

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

- amortised cost
- fair value through profit or loss - FVTPL

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Entity's financial assets measured at FVTPL comprise equity holdings in unlisted companies in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Credit losses are measured as the present value of the difference between the cash flows due to the Entity in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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 Entity 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 Entity 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 Entity 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 Entity comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Entity determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

2 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) 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.

(h) Leases

Lease assessment at contract inception

At inception of a contract, the Entity 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 Entity has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

- The Entity 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.

Right-of-use asset

At the lease commencement, the Entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

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 Entity's incremental borrowing rate is used.

2 Summary of Significant Accounting Policies

(h) Leases

Lease liability

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 Entity's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Adoption of short term leases or low value asset exception

Exceptions to lease accounting

The Entity 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 Entity recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Entity'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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Revenue and Other Income

	2022	2021
	$	$
Grant income	**4,135,526**	4,089,468
Fee for service income	**109,885**	204,896
Meal income	**91,578**	33,147
Dividends received	**48,486**	33,892
Fundraising income	**72,454**	57,559
Donation income	**23,352**	26,123
Sundry income	**85,058**	85,099
	4,566,340	4,530,184

4 Other Expenses

	2022	2021
	$	$
Accounting and audit fees	**22,411**	14,972
Advertising	**24,043**	26,658
Cleaning	**43,216**	45,337
Client support costs	**71,137**	56,640
Computer costs	**96,801**	121,045
Consultancy fees	**12,405**	20,744
Emergency relief payment	**317,610**	452,856
Employment support and supervision	**12,974**	15,329
Insurance	**43,071**	37,637
Interest expense	**21,404**	3,922
Meal preparation expenses	**52,223**	32,038
Motor vehicle expenses	**25,942**	25,202
Other expenses	**58,273**	85,176
Portable long service leave levy	**34,750**	18,401
Printing and stationery	**15,943**	21,264
Projects expense	**29,269**	25,662
Rates and taxes	**25,455**	35,856
Recruitment expenses	**45,497**	-
Relocation expenses	**8,054**	35,996
Rent	**4,271**	25,679
Repairs and maintenance	**35,820**	36,150
Telephone	**28,493**	22,770
Travel	**28,184**	40,561
Utilities	**35,251**	35,727
	1,092,496	1,235,622

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Cash and Cash Equivalents

	2022 $	2021 $
Cash at bank and in hand	**1,267,032**	1,293,350
	1,267,032	1,293,350

6 Trade and other receivables

	2022 $	2021 $
CURRENT		
Trade receivables	**42,943**	61,947
	42,943	61,947

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.

7 Other Financial Assets

Financial assets at fair value through profit or loss

	2022 $	2021 $
CURRENT		
Shares in unlisted public companies	**895,797**	868,459
	895,797	868,459

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Property, plant and equipment

	2022	2021
	$	$
Buildings		
At cost	**509,027**	509,027
Accumulated depreciation	**(445,171)**	(432,445)
Total buildings	**63,856**	76,582
Plant and equipment		
At cost	**271,338**	220,054
Accumulated depreciation	**(216,462)**	(197,869)
Total plant and equipment	**54,876**	22,185
Furniture, fixtures and fittings		
At cost	**56,171**	56,171
Accumulated depreciation	**(47,298)**	(43,949)
Total furniture, fixtures and fittings	**8,873**	12,222
Motor vehicles		
At cost	**132,772**	128,392
Accumulated depreciation	**(79,039)**	(101,936)
Total motor vehicles	**53,733**	26,456
Computer equipment		
At cost	**64,588**	55,910
Accumulated depreciation	**(35,370)**	(23,576)
Total computer equipment	**29,218**	32,334
Leasehold Improvements		
At cost	**84,841**	84,841
Accumulated amortisation	**(13,116)**	(996)
Total leasehold improvements	**71,725**	83,845
Total property, plant and equipment	**282,281**	253,624

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Leases

Right-of-use assets

	Buildings	Motor Vehicles	Total
	$	$	$
Year ended 30 June 2022			
Balance at beginning of year	**612,666**	**21,509**	**634,175**
Depreciation	**(88,681)**	**(24,168)**	**(112,849)**
Additions	**276,829**	**69,664**	**346,493**
Balance at end of year	**800,814**	**67,005**	**867,819**

	Buildings	Motor Vehicles	Total
	$	$	$
Year ended 30 June 2021			
Balance at beginning of year	58,599	45,189	103,788
Depreciation	(65,980)	(23,680)	(89,660)
Additions	620,047	-	620,047
Balance at end of year	612,666	21,509	634,175

Lease liabilities

The maturity analysis of lease liabilities based on contractual discounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total discounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2022					
Lease liabilities	**105,695**	**385,476**	**387,426**	**878,597**	**878,597**
2021					
Lease liabilities	102,065	443,640	90,083	635,788	635,788

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Trade and Other Payables

	2022	2021
	$	$
CURRENT		
Trade payables	**50,075**	76,100
GST payable	**86,255**	69,305
PAYG payable	**35,451**	69,478
Accrued expenses	**16,569**	6,000
Superannuation liability	**33,824**	25,152
Payroll accrual	**79,750**	68,166
Grant contract liabilities	**-**	185,739
	301,923	499,941

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.

11 Employee Benefits

	2022	2021
	$	$
CURRENT		
Long service leave	**50,111**	53,885
Annual leave	**185,106**	209,839
	235,217	263,724
NON-CURRENT		
Long service leave	**19,924**	28,960
	19,924	28,960

12 Contingencies

In the opinion of the Management committee, the Entity did not have any contingencies at 30 June 2022 (30 June 2021:None) other than the below.

On 2 November 2021, the Entity received a letter from a legal firm requiring it to confirm whether the Entity considers itself a proper respondent to a personal injury claim that occurred in January 1996. The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the position of the Entity. There has been no resolution to this matter at the date of this report.

13 Events Occurring After the Reporting Date

The financial report was authorised for issue on the date that the responsible persons' declaration was signed.

Other than the matter detailed below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial years.

The Entity signed a contract on 8 August 2022 to purchase the property located at 8 Thorley Street Heatley QLD 4814. The property was purchased for $415,000 and was funded by the Entity's cash reserves. The property will assist in the provision of residential care for children under 12 years of age.

Althea Projects Incorporated

ABN: 47 280 156 982

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the 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*.

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

Responsible person ....

Dated 6/10/2022

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALTHEA PROJECTS INCORPORATED FOR THE YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Althea Projects Incorporated (the entity), which comprises the statement of financial position as at 30 June 2022, 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 responsible persons' declaration.

In our opinion, the accompanying financial report of Althea Projects Incorporated is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- giving a true and fair view of the entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards, 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 entity in accordance with the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of the Committee for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Jessups

Paul Sapelli
Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 6 October 2022