

**NEW ENGLAND AND WESTERN TENANTS ADVICE AND  
ADVOCACY SERVICE INCORPORATED  
ABN 31 279 732 390**

**SPECIAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**New England and Western Tenants Advice and Advocacy Service  
Incorporated (ABN 31 279 732 390)  
(An Incorporated Association)**

**Special Purpose Financial Report**

**For the year ended 30 June 2022**

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# **New England & Western Tenants Advice & Advocacy Service Inc.**

## **Committee's Report**

Your committee members submit the financial statements of the New England and Western Tenants Advice and Advocacy Service Incorporated ("NEWTAAS") for the year ended 30 June 2022.

### **Committee Members**

The names of the Committee members throughout the year and at the date of this report are:

Anne Wolfenden (President)  
Elizabeth Stahlut (Treasurer)  
Marjorie Henzell  
Jennifer Bourke (Secretary)  
Noel Marshall

### **Principal Activities**

No significant change in the principal activities occurred during the year. The service continued with its objectives of providing information, advice and advocacy services to tenants across the New England, North West, Western and Far West of New South Wales.

The core grant funding contract with the NSW Fair Trading was renewed as at September 2019 for a further 3 years until 30 June 2022. In June 2022 this was extended for a further year till 30 June 2023.

Additional one-off funding as part of the NSW government response to the COVID-19 pandemic was also received from NSW Fair Trading for 1 FTE for one year commencing in May 2020.

An application for funding for an additional 0.5 FTE was made to NSW Fair Trading which was approved for the 2021-2022 financial year. This has been approved as part of core funding in the extension of funding and may continue to form part of core funding.

### **After balance date events**

NSW Fair trading are calling for Tenders in August/September 2022 for a three year contract commencing July 2023.

A permanent increase in the core funding by 0.5FTE may be offered when the 3 year tender is released in August/September 2022.

### **Going Concern**

The financial statements have been prepared on a going concern basis. The current funding contract expires on 30 June 2023.

It is expected that an application process will be run before the expiry of the contract for the funding period 1 July 2023-30 June 2026.

## New England & Western Tenants Advice & Advocacy Service Inc.

NEWTAAS has been offering TAAS services since 2002 and consistently meets or exceeds funding criteria. It is therefore considered likely that NEWTAAS will be successful in their application.

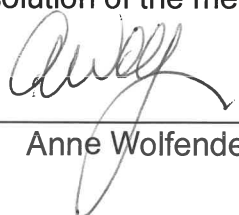
However, should NEWTAAS be unsuccessful in their tender application then the organisation would be wound up, as it is dependent on Grant funding to operate.

### Operating Result


The operating deficit for the year ending 30 June 2022 is \$Nil, (2021 deficit of Nil).

Signed in accordance with a resolution of the members of the committee:

Chair

  
\_\_\_\_\_  
Anne Wolfenden

Member

  
\_\_\_\_\_  
Elizabeth Stahlhut

Dated: 14 September 2022

# New England & Western Tenants Advice & Advocacy Service Inc.

## Statement of profit or loss and other comprehensive income for the Year ended 30 June 2022

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Grant – Core Funding	636,016	618,746
Grant – Non Core Funding	196,885	90,438
Reimbursable expenses	1,846	969
Other Income	28	14,721
Cash Flow Boost Government Funding	-	27,442
Interest	2,724	3,568
<b>Total revenue</b>	<b>837,499</b>	<b>755,884</b>
<b>Expenditure</b>		
<b>Salary and Related Expenses</b>		
Salaries and Wages	586,722	513,350
On-costs	141,304	135,778
<b>Total Salary and Related Expenses</b>	<b>728,026</b>	<b>649,128</b>
<b>Other Operating Expenses</b>		
Communication Expenses	20,818	20,385
Office Overheads	20,825	13,417
Depreciation	10,747	12,371
Financial accountability	6,000	6,175
Utilities and outgoings	5,363	5,186
Printing and Stationery	3,877	1,780
Office Equipment	2,482	3,274
Rent	25,766	26,537
Staff Related Expenses	4,111	3,329
Travel	7,216	7,349
Motor Vehicle	1,456	1,387
Fuel	812	187
	<b>109,473</b>	<b>106,756</b>
<b>Total Expenditure</b>	<b>837,499</b>	<b>755,884</b>
<b>Current year deficit before income tax</b>	<b>-</b>	<b>-</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Net Current year deficit</b>	<b>-</b>	<b>-</b>

## New England & Western Tenants Advice & Advocacy Service Inc.

### Statement of profit or loss and other comprehensive income for the Year ended 30 June 2022 (Cont.)

#### **Other comprehensive income**

Items that will not be reclassified subsequently to  
profit or loss when specific conditions are met.

-

-

Items that will be reclassified subsequently to profit  
or loss when specific conditions are met

-

-

#### **Total other comprehensive income for the year**

-

-

#### **Total comprehensive income for the year**

-

-

#### **Total comprehensive income attributable to members of the entity**

-

-

The accompanying notes form part of these financial statements.

# New England & Western Tenants Advice & Advocacy Service Inc.

## Statement of financial position as at 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		585,558	512,804
Accounts receivable and other debtors	2	4,958	2,760
Shares		10	10
<b>Total Current Assets</b>		<b>590,526</b>	<b>515,574</b>
<b>NON-CURRENT ASSETS</b>			
Plant & equipment	3	21,565	23,980
<b>Total Non Current Assets</b>		<b>21,565</b>	<b>23,890</b>
<b>Total Assets</b>		<b>612,091</b>	<b>539,554</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITES</b>			
Accounts payable and other payables		16,643	20,836
Provisions	4	473,017	392,968
Other current liabilities	5	21,640	11,918
<b>Total Current Liabilities</b>		<b>511,300</b>	<b>425,722</b>
<b>NON CURRENT LIABILITES</b>			
Provisions	4	86,032	99,073
<b>Total Non Current Liabilities</b>		<b>86,032</b>	<b>99,073</b>
<b>Total Liabilities</b>		<b>597,332</b>	<b>524,795</b>
<b>NET ASSETS</b>		<b>14,759</b>	<b>14,759</b>
Equity		14,759	14,759
Retained surplus/(Deficit)		-	-
<b>Total Equity</b>		<b>14,759</b>	<b>14,759</b>

The accompanying notes form part of these financial statements.

# New England & Western Tenants Advice & Advocacy Service Inc.

## Statement of changes in equity for the Year ended 30 June 2022

	Equity \$
<b>Balances at 1 July 2020</b>	<b>14,759</b>
<b>Comprehensive Income</b>	
Deficit for the year attributable to members of the entity	-
Other comprehensive income for the year	-
<b>Total comprehensive income attributable to members of the entity</b>	<b>14,759</b>
<b>Balance at 30 June 2021</b>	<b>14,759</b>
<b>Comprehensive Income</b>	
Surplus for the year attributable to members of the entity	-
Other comprehensive income for the year	-
<b>Total comprehensive income attributable to members of the entity</b>	<b>-</b>
<b>Balance at 30 June 2022</b>	<b>14,759</b>



# New England & Western Tenants Advice & Advocacy Service Inc.

## Statement of cash flows for the Year ended 30 June 2022

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Grant income	898,217	698,775
Interest received	2,724	3,568
Payments to employees	(642,492)	(565,501)
Payments to suppliers	(176,530)	(120,788)
<b>Net cash (used in)/generated from operating activities</b>	<b>81,919</b>	<b>16,054</b>
<b>Cash flows from investing activities</b>		
Payment for plant and equipment	(9,165)	(14,810)
<b>Net cash used in investing activities</b>	<b>(9,165)</b>	<b>(14,810)</b>
<b>Net increase/ (decrease) in cash held</b>	<b>72,754</b>	<b>1,244</b>
<b>Cash on hand at the beginning of the financial year</b>	<b>512,804</b>	<b>511,560</b>
<b>Cash on hand at the end of the financial year</b>	<b>585,558</b>	<b>512,804</b>

# New England & Western Tenants Advice & Advocacy Service Inc.

## Notes to the Financial Statements for the Year Ended 30 June 2022

### Note 1 Summary of Significant Accounting Policies

#### Basis of preparation

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Australian Charities & Not for Profits Commission Act, 2012* (“ACNC”) and grant funding conditions. The Committee has determined that the Association is not a reporting entity in accordance with the definition contained in AASB 1053.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The financial statements are presented in Australian dollars.

NEWTAAS is a registered charity under the ACNC and is classified as a medium entity. Under the ACNC reporting requirements NEWTAAS is required to apply the following six accounting standards as a minimum to the extent that they are relevant:

- 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 1054 Australian Additional Disclosures.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

#### (a) Income Tax

The Association is exempt from Income Tax and accordingly no provision has been made.

## **New England & Western Tenants Advice & Advocacy Service Inc.**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (Cont.)**

#### **(b) Plant and Equipment (PPE)**

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

When the written down value of PPE is Nil an assessment is made by management and a decision made to write off. Any subsequent profit on sale is recognised as revenue.

#### **(c) Impairment of Assets**

At the end of each reporting period, the Association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of profit or loss and other comprehensive income.

#### **(d) 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 have been measured at the amounts expected to be paid when the liability is settled.

#### **(e) Provisions**

The Association's funding contract requires that a service be deliverable to all residential tenants in the New England, North West, Western and Far West areas of New South Wales. There are specific situations where additional costs are required to be incurred to ensure the Association continues to meet these service standards. Practically these costs need to be provided for to ensure sufficient monies have been set aside to cover costs. As a result, the Association has opted to recognise provisions that do not comply with the recognition and measurement requirements of AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'. The basis for recognition and measurement of these provision is outlined below:

##### **(i) Redundancy**

Redundancy provisions are measured in accordance with the minimum standards contained in the National Employment Standards and are essential given that NEWTAAS is dependent on cyclical government funding. These provisions may be required to be paid out immediately if the organisation was unsuccessful in winning one 3-year grant funding tender.

##### **(ii) Personal/Carers Leave**

## **New England & Western Tenants Advice & Advocacy Service Inc.**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (Cont.)**

The Association records a potential liability for personal leave for all permanent part-time and full-time employees. The amount is measured at its nominal value at balance date and includes related on-costs. Although this provision does not comply with Accounting Standards, it represents the liability of NEWTAAS to employ casual staff or increase part time employee hours to cover time lost as part of their commitment to continuity of service delivery from a small organisation.

#### **(iii) Locum**

The Association's funding contract requires that a service be deliverable to all residential tenants in the New England, North West, Western and Far West areas of New South Wales. The entity records a potential liability for casual staff that may be required to satisfy periods of high demand. This includes ensuring continuity of service delivery during periods of orientation and training as new staff learn their roles. This provision does not comply with Accounting Standards and is measured by management's best estimate.

#### **(iv) Higher Duties Allowances**

The Association's funding contract requires that a service be deliverable to all residential tenants in the New England, North West, Western and Far West areas of New South Wales. The entity records a provision to cover costs for paying higher duty allowances to staff during periods where staff are required to act in higher roles as a result of staff turnover, leave and demand requirements. This provision does not comply with Accounting Standards and is measured by management's best estimate.

#### **(v) IT Expense**

The Association's core IT equipment has reached the end of its useful life and requires replacement to ensure the continued delivery of service in accordance with the Association's contract. The Association has recognised a provision for the replacement of this equipment based upon market quotations received. This provision does not comply with Accounting Standards.

#### **(f) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### **(g) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised when received.

Grant and Donation income is recognised when the Association obtains control over funds. Control over core grant income received occurs when it is applied in accordance with funding guidelines as set down in the funding agreement. The Association has no right to recognise funds as income unless they are applied in accordance with the funding

## **New England & Western Tenants Advice & Advocacy Service Inc.**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (Cont.)**

agreement guidelines. Any excess funds remaining at the end of the grant period are to be repaid to the funding body. If grant conditions are not satisfied the revenue is deferred and recognised as a liability.

All revenue is stated net of the amount of goods and services tax (GST).

#### **(h) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### **(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or payables in the Statement of Financial Position.

#### **(j) New and Amended Accounting Standards Adopted**

During the current year the Association adopted all new and amended Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

#### **(k) New Accounting Standards applicable in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods.

The committee members have decided against early adoption of these Standards, but do not expect the adoption of these standards to have any impact on the reported position or performance of the Association. If the Association in the future enters into a long term rental lease, a right to use asset might emerge.

#### **(l) Going Concern and Economic Dependence**

NEWTAAS is dependent on NSW Fair Trading - Department of Finance and Services for the majority of its revenue used to operate the business. There is a current funding contract in place ending 30 June 2022. At the date of this report the committee have no reason to believe the Commissioner for Fair Trading, Department of Finance and Services will not continue to provide funding to NEWTAAS into the foreseeable future. As a result, the financial statements have been prepared on a going concern basis.

# New England & Western Tenants Advice & Advocacy Service Inc.

## Notes to the Financial Statements for the Year Ended 30 June 2022 (Cont.)

### Note 2 Accounts receivable and other debtors

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Accounts Receivable	1,780	1,261
Prepayments	1,178	0
Reimbursable Expenses	652	146
Power Bank Deposit	315	320
Bond Guarantee	1,033	1,033
Tax Receivable	-	-
<b>Total Trade and Other Receivables</b>	<b>4,958</b>	<b>2,760</b>

### Note 3 Property, Plant and Equipment

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Office Equipment	65,202	56,870
Less: Accumulated Depreciation	(43,637)	(32,890)
<b>Total Property, Plant and Equipment</b>	<b>21,565</b>	<b>23,980</b>

	<b>2022</b>
	<b>\$</b>
<b>Carrying amount at 30 June 2021</b>	<b>23,980</b>
Asset Purchases	8,332
Profit/Loss on disposal of Equipment	-
Depreciation	(10,747)
<b>Closing Balance at 30 June 2022</b>	<b>21,565</b>

# New England & Western Tenants Advice & Advocacy Service Inc.

## Notes to the Financial Statements for the Year Ended 30 June 2022 (Cont.)

### Note 4 Employee Provisions

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual Leave	96,383	96,049
Long Service Leave	86,323	60,587
Personal/Carers Leave	32,533	30,635
Locum & Salaries	252,525	192,999
Time in Lieu	5,253	12,698
	<b>473,018</b>	<b>392,968</b>
<b>Non Current</b>		
Redundancy	86,032	90,287
Long Service Leave	-	8,786
	<b>86,032</b>	<b>99,073</b>

### Note 5 Other Current Liabilities

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Provision for IT Expense	20,000	10,000
Income in Advance	-	-
Tax payable (GST)	1,640	1,918
	<b>21,640</b>	<b>11,918</b>

### Note 6 Leasing Commitments

#### Operating Lease Commitments

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Rent of offices in Armidale, Dubbo and Tamworth Payable		
– minimum monthly lease payments	2,499	2,251
– not later than 12 months	29,986	27,014
– between 12 months and five years	-	-
– greater than five years	-	-
	<b>32,485</b>	<b>29,265</b>

## **New England & Western Tenants Advice & Advocacy Service Inc.**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (Cont.)**

The Armidale office Minto property lease was entered into in May 2020 and commenced on the 1 July 2020, running until June 2022. It is now a month to month cancellable lease, with rent payable monthly in advance. There are contingent rental provisions within the lease agreement requiring that the minimum lease payments shall be increased by a maximum of the Consumer Price Index or 3% per annum.

The other offices are located in Dubbo and Tamworth. Both these offices have an informal Memorandum of Understanding ("MOU") in place.

A new MOU enabling NEWTAAS to co-locate offices with the Dubbo Neighbourhood Centre in Dubbo was entered into in September 2019 and ran until June 2022. This has now been extended to June 2023 in line with funding extension. The non-cancellable period is considered to be one year. At that point it is likely that there will be an extension agreed in line with the funding contract. The rent for 2022-2023 is \$11,474 per annum including GST with a CPI or 3% increase each year. Rent is payable quarterly in advance.

The Tamworth office is a single office sublet under an MOU with Disability Advocacy NSW, with rent payable monthly in advance with provision for CPI increments annually. This arrangement is reviewed annually and the non cancellable period is considered to be one year. Disability Advocacy NSW is currently considering relocation of their Tamworth office, and NEWTAAS has been included into their considerations and will relocate with them.

#### **Note 7 Contingent liabilities and capital commitments**

##### **Contingent liabilities**

To the best of the manager's and members of the Committee's knowledge and belief there are no contingent liabilities at balance date.

##### **Capital commitments**

To the best of the manager's and members of the Committee's knowledge and belief there are no other capital commitments at balance date.

#### **Note 8 Related Parties**

There were no known related party dealings.

#### **Note 9 Events after the end of the Reporting Period**

No 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.



# New England & Western Tenants Advice & Advocacy Service Inc.

## Statement by Members of the Committee For the Year Ended 30 June 2022


The Committee has determined that the Association is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial Statements.


In the opinion of the Committee and in accordance with the *Australian Charities & Not for Profits Commission Act, 2012*, the attached special purpose financial statements:

1. Present a true and fair view of the financial position of New England and Western Tenants Advice and Advocacy Service Incorporated as at 30 June 2022 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that New England and Western Tenants Advise and Advocacy Service Incorporated will be able to pay its debts as and when they become due and payable.

In determining their opinion above the committee have taken into consideration the going concern information set out in Note 1(l) to these accounts.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Chair   
\_\_\_\_\_  
Anne Wolfenden

Member   
\_\_\_\_\_  
Elizabeth Stahlhut

Dated: 14 September 2022

## ARMIDALE

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### **Independent Audit Report to the members of New England and Western Tenants Advice and Advocacy Service Incorporated**

#### ***Report on the Audit of the Financial Statements***

#### **Opinion**

We have audited the accompanying financial statements, being special purpose financial statements of New England and Western Tenants Advice and Advocacy Service Incorporated (the Association), which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies, other explanatory notes and the members' declaration.

In our opinion, the accompanying financial statements of the Association are in accordance with Division 60 of *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 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *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 statements 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 statements, which describe the basis of accounting. The special purpose financial statements have been prepared for the purpose of fulfilling the Associations' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and its members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter – Provisions**

We draw attention to Note 1 (e) to the financial statements which describes the accounting policy adopted by the committee with regard to Provisions. The Association has disclosed that it recognizes provisions which do not comply with the recognition and measurement requirements of AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'. These provisions are based upon management's best estimates of future cost obligations. We have been provided with the basis for these estimates and we have assessed them as part of our audit procedures. However, the recognition of these provisions represents a departure from accounting standards. If the Association were to adopt General Purpose Financial statements in the future it would be required to comply with accounting standards and these provisions would need to be de-recognized. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and those charged with Governance**

Management is responsible for the presentation and fair presentation of the financial statements in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial statements is free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, 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 management 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.

*Forsyths*

Chartered Accountant



**Paul Cornall**

Principal

121 Rusden Street, Armidale

Dated this 15 September 2021<sup>2</sup> 