

## Section 3 – Our Finances

### Finance Officer's Report

#### Finance Committee Report 2022

The 2022 calendar year was yet again a period of change at RSL Tasmania, and this was also the case for the financial governance of the organisation. I commenced as an Independent Director in April 2022 and became the Finance Officer in September 2022, following the retirement of Patrick Carlisle. Patrick had given three years of dedicated service to the organisation and had significantly improved financial governance and oversight. I'd like to thank Patrick for his considerable efforts.

RSL Tasmania has a clear purpose to provide welfare support to Veterans and their families and we are now executing our strategy to establish a new service model for Veteran support in Tasmania. At the same time as investing in our strategy, we are looking to move from an operating loss position to a sustainable operating surplus. In 2022, we made progress towards this goal, achieving an operating loss of (\$290k), half of the operating loss in 2021 (\$600k). I provide a summary of major influences on our financial performance below.

#### Funding our strategy: RSL QLD partnership and Veteran Hub Tasmania

The most significant change to the financials in 2022 is the successful partnership formed with RSL Queensland to fund Veteran welfare activities in Tasmania. This funding has increased the scope and scale of our Veteran support. The \$299k of RSL Queensland grant income is shown as the Wellbeing Program Grant in the Profit & Loss and the expenses are predominantly shown in Salaries – Wellbeing, \$241k and Wellbeing Support Expenses \$53k. The overall impact on the financial statements is cash neutral, with all funds received being spent for their intended purpose.

The development of the Veteran Hub service delivery model has also been a key focus, with us investing \$50k in a business case for further government funding. This business case was funded by a \$50k government grant and partly explains the increase in government grant income and consultancy expenditure. The realisation of the Veteran Hub concept remains core to our strategy. We were also successful in attracting greater government grant funding than in previous years, predominately Department of Veterans Affairs funding to support our Veteran services, and Tasmanian State Government funding for our Peak Body activities.

We received \$16k rental income on properties at Huonville and Queenstown for the first time. This is relatively small but does highlight the opportunity for both State Branch and Sub-Branched to better use property assets to deliver Veteran services, or for commercial return where this is prudent.

#### A poor year for investment performance

We experienced a large unfavourable variance in the results of our investments in 2022. At the start of the year we sought financial advice on how to prudently manage our investments, applying a balanced investment approach. Despite this, we have recognised a (\$48k) investment loss, compared to investment income of \$89k in 2021. This reflects both poorer returns and an overall reduction in the value of our investments. This is due to the widely reported poor performance of financial markets in 2022. The Finance Committee has monitored this and has liaised closely with external professionals to review this performance. We do expect that the investments will improve as financial markets are expected to return to long term average performance in 2023 and beyond.

We also drew down (\$250k) of our investment this year to fund the operating loss. This was the intended use of the investment funds, which were originally the proceeds of the sale of the Glenorchy Sub-Branch assets. This was to be used before State Branch makes a return to an operating surplus. This also explains the primary movement in our Balance Sheet as at 31 December 2022, with Net Assets and Equity reducing by 250k.

**Conclusion: Opportunities and challenges ahead**

We have some challenges ahead as we seek to transform Veteran support in Tasmania at the same time as moving to a sustainable financial position. We acknowledge that successful delivery of our strategy will take focused investment of our resources, but that we must also remain firmly focussed on ensuring the long-term sustainability of the organisation. We believe that our strategy gives us the opportunity to do this.

I would like to acknowledge the support of the Board and management of RSL Tasmania in maintaining strong financial oversight. I would also like to acknowledge the work of Sub-Branches in improving their own financial governance, an often quiet but very important task.

**Hayden Moore CA GAICD**  
**Finance Officer and Chair, Finance Committee**



**Auditor's Report**

**The Returned & Services League of Australia  
(Tasmanian Branch) Inc.**

**ABN: 11 977 093 123**

**Financial Report for The Year Ended  
31 December 2022**



# **The Returned & Services League of Australia (Tasmanian Branch) Inc.**

**ABN: 11 977 093 123**

**Financial Report for The Year Ended  
31 December 2022**

## **CONTENTS**

Profit & Loss

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Board Statement

Board Member List

Auditor's Independence Declaration

Independent Audit Report



**The Returned & Services League of Australia (Tasmanian Branch) Inc.**  
**Profit & Loss Statement**  
**1 January 2022 to 31 December 2022**

	<i>Note</i>	<b>2022</b>	<b>2021</b>
<b><i>Income</i></b>	<b>2</b>		
Advocacy services		-	20
Capitation		55,072	58,730
Donations		4,467	18,331
Wellbeing Program Grant		299,142	-
Government Grant: Recurrent		432,945	183,033
Investment Income		-	88,872
Appeals		25,785	36,079
Reimbursements		7,093	13,027
Sales RSL stock		1,656	2,951
Sponsorship		2,400	1,500
Workers Comp Insurance		22,387	13,692
Rental Income		15,845	-
Sundry Income		873	36
<b><i>Total Income</i></b>		<b>867,666</b>	<b>416,271</b>
		<b><i>Deduct Expenses</i></b>	
Advertising & Marketing		13,177	24,112
Advocacy services		9,959	4,608
Wellbeing Support Expenses		52,630	-
Appeal Expenses		2,916	-
Allowances: President		3,000	5,000
Directors Expenses		40,247	15,328
ANZAC Day Expense		14,438	14,459
Audit	9	7,100	6,600
Bank fees		1,316	1,297
Cleaning		4,947	2,329
Consultancies		79,648	54,268
Depreciation	5	-	5,022
Donations		893	3,146
Dunalley Expenses		-	909
Electricity, Gas		7,461	7,982
Emergency Services		227	331
Employee entitlements		(1,006)	14,524
Frank MacDonald Expenses		1,160	331
FBT Expense		1,313	5,254
Grant - Covid Support to Sub-Branches		8,000	128,000
Insurance		32,136	25,653
Interest		-	774
Internet		500	1,636



Investment expenses		16,068	10,478
Legal		979	5,060
Memberships		2,587	2,827
Minor equipment		5,146	7,465
Motor vehicles, taxis		-	5,059
National - League Costings		16,274	32,136
National executive		1,997	-
On Service		21,364	7,000
Website Expenses		11,556	-
Postage		8,767	5,690
President's expenses		2,339	3,090
Printing, stationery		5,770	4,206
Rental Expenses		4,335	-
Property		2,029	3,041
		<hr/>	<hr/>
	<b>Sub-total carried forward</b>	379,271	407,614
	Repairs, maintenance	5,526	12,059
RSL stock		3,275	2,238
Salaries – General		359,110	437,533
Salaries – Wellbeing		241,469	-
Salaries - Back Pay Provision	10	-	32,000
Scholarships, sponsoring		1,000	450
State Branch Administration		5,926	10,904
State Congress		19,065	24,957
State executive		-	164
Sundry expenses		11,513	8,884
Superannuation		66,882	43,961
Welfare - Other		-	21,476
Workers' Compensation		17,523	14,149
Investment Loss		47,513	-
		<hr/>	<hr/>
	<b>Total Expenses</b>	1,158,075	1,016,388
		<hr/>	<hr/>
	<b>Operating Loss</b>	(290,409)	(600,117)
	<b>Add/Deduct Other Comprehensive Income</b>		
<b>Add</b> Other comprehensive income/(expense)	6	45,895	(186,653)
<b>Add</b> Income from Disposal of RSL Trust	7	-	1,155,410
<b>Deduct</b> Sales of Assets		(5,969)	-
		<hr/>	<hr/>
	<b>Net Surplus (- Loss) for the year</b>	<b>(250,483)</b>	<b>368,639</b>
		<hr/>	<hr/>



**The Returned & Services League of Australia (Tasmanian Branch) Inc.**  
**Balance Sheet**  
**as at 31 December 2022**

	<i>Note</i>	<i>2022</i>	<i>2021</i>
<b>Assets</b>			
<b>Current Assets</b>			
Cash at bank, on hand	4	279,123	1,135,486
Investment Accounts		77,489	141,356
Inventories		4,598	6,098
GST Refundable	8	7,872	12,112
Trade Debtors		25,574	9,784
Prepaid Expenses		2,273	-
Collins SBA investment		1,208,587	522,169
Sub-Branch, Member loans		-	(200)
<b>Total Current Assets</b>		<b>1,605,518</b>	<b>1,826,806</b>
<b>Non-Current Assets</b>			
Land at government valuation	5	693,500	693,500
Buildings at government valuation	5	1,771,000	1,771,000
<b>Deduct</b> provision for depreciation	5	-	-
Plant & equipment at cost	5	100,964	100,964
<b>Deduct</b> provision for depreciation	5	(100,964)	(100,964)
Motor vehicle at cost	5	19,770	38,034
<b>Deduct</b> provision for depreciation	5	(19,770)	(24,792)
<b>Total Non-Current Assets</b>		<b>2,464,500</b>	<b>2,477,742</b>
<b>Total Assets</b>		<b>4,070,018</b>	<b>4,304,548</b>
<b>Deduct Liabilities</b>			
<b>Current Liabilities</b>			
AFOF Funds		41,533	41,533
Creditors		8,303	3,764
Grant in Advance		46,873	-
Provision for Back Pay	10	-	32,000
Employee Liabilities: Leave, Payroll		55,991	59,449
<b>Total Liabilities</b>		<b>152,700</b>	<b>136,747</b>
<b>Net Assets</b>		<b>3,917,317</b>	<b>4,167,801</b>



<b>Equity</b>			
Asset Revaluation Reserve	5	2,452,341	2,452,341
Welfare General Reserve		138,565	138,565
Exeter sale proceeds		77,375	77,375
Retained Earnings		1,499,519	1,130,880
Current Period Earnings		(250,483)	368,639
<b>Total Equity</b>		<b>3,917,317</b>	<b>4,167,801</b>

**The Returned & Services League of Australia (Tasmanian Branch) Inc.**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2021**

	<i>Note</i>	<i>Total Equity</i>
<b>Balance at 1 January 2021</b>		4,364,161
Operating Loss for the year		(600,117)
<b>Deduct</b> Asset Revaluation Reserve Transfer Out	6	(565,000)
<b>Deduct</b> Other comprehensive expense		(186,653)
<b>Add</b> Income from Disposal of RSL Trust		1,155,410
<b>Balance at 31 December 2020</b>		<b>4,167,801</b>
<b>Balance at 1 January 2021</b>		4,167,801
Operating Loss for the year		(290,409)
<b>Deduct</b> Sales of Asset		(5,969)
<b>Add</b> Other comprehensive income	6	45,895
<b>Add</b> Income from Disposal of RSL Trust		-
<b>Balance at 31 December 2021</b>		<b>3,917,317</b>

**The Returned & Services League of Australia (Tasmanian Branch) Inc.**  
**Statement of Cash Flows**  
**For year ended 31 December 2022**

	<i>2022</i>	<i>2021</i>
<b>Cash from Operations</b>		
Receipts from all sources	896,276	362,626
<b>Deduct</b> Suppliers and employees	(1,120,200)	(991,063)
<b>Cash Deficiency from Operations</b>	(223,924)	(628,438)



**The Returned & Services League of Australia (Tasmanian Branch) Inc.****ABN: 11 977 093 123****NOTES TO THE FINANCIAL STATEMENTS****For The Year Ended 31 December 2022****Note 1 Summary of Significant Accounting Policies****Basis of Preparation**

The financial statements have been prepared on the basis that the charity is a non-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 in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Note 2 Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

**Note 3 Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.


**The Returned & Services League of Australia (Tasmanian Branch) Inc.**
**ABN: 11 977 093 123**
**NOTES TO THE FINANCIAL STATEMENTS**
**For The Year Ended 31 December 2022**

	2022	2021
	\$	\$
<b>Note 4</b>		
<b>Cash at Bank, On Hand</b>		
Cash Drawer - Veterans Welfare	1,001	-
Cash drawer	795	200
ANZ General Acct 02767	246,397	1,125,973
ANZ Visa Card	(3,997)	(4,763)
Bendigo Bank - 144386075	3,081	-
ANZ Cash Management Account	8,555	9,254
MyState General 30035242	20,846	4,740
Petty Cash	783	80
Bendigo Bank - 154167506	1,661	-
Total cash and cash equivalents	<u>279,123</u>	<u>1,135,486</u>

**Note 5**      **Property, Plant & Equipment**

The association's building assets are recorded at government valuation and motor vehicles at cost. It is the intent of the Board to utilise the government valuations noted on the rates notices for revaluation of property values. Buildings were revalued in 2019. As valuations generally increase this would make depreciation of buildings redundant and we would need to write it back on revaluation, therefore no depreciation has been raised for 2022 and 2021.

Depreciation on capital works and motor vehicles will be charged as follows

Capital Works	2.50%
Motor Vehicles	17.5% to 25%

Land and Buildings valuation as below:

	Building	Land	Government valuation
<u>Sub-Branches</u>			
Swansea including car park	-	-	-
Huonville	202,000	162,500	364,500
Rosebery	179,000	21,000	200,000
Railton	295,000	40,000	335,000
Cygnnet	255,000	45,000	300,000
Queenstown	285,000	105,000	390,000
<u>State Office</u>			
New Town	555,000	320,000	875,000
Total	<u>1,771,000</u>	<u>693,500</u>	<u>2,464,500</u>


**The Returned & Services League of Australia (Tasmanian Branch) Inc.**
**ABN: 11 977 093 123**
**NOTES TO THE FINANCIAL STATEMENTS**
**For The Year Ended 31 December 2022**

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Total	<u>1,771,000</u>	<u>693,500</u>	<u>2,464,500</u>

**Note 6 Other Comprehensive Income/(Expense)**

The final distribution following the disposal of the Glenorchy Sub-Branch property was made in November 2020. This is in addition to the distribution made to State Branch in 2019. These amounts were recorded as other comprehensive income in 2020, and the GST and relevant tax penalties have been paid and recorded in 2021 as other comprehensive expenses.

Huon Sub-Branch wound up with income and expenses transferred back to State Branch as other comprehensive income in 2022.

**Note 7 Income from Disposal of RSL Trust**

Returned & Services League of Australia (Tasmania Branch) Administrative Trust was an independently managed and controlled Trust. However, the variation of the Trust Deed has been approved on 16 November 2020. Per the amended Deed, the Trust may be wound up by Trustees, and the income from disposal of all assets comprising the Trust to be transferred to RSL Tasmania for the purpose of administrative costs and expenses.

**Note 8 Good 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an expense of the item.

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.

**Note 9 Payments to Auditor**

Payments to the association's auditor were \$7,100 in 2022 and \$6,600 in 2021. No other payments were made in either year.

**Note 10 Provision for Back Pay**

Back pay was paid to employees in 2021 based on calculations of underpayments for the previous three years. The Board has extended the investigation of underpayments for a further three years and provided for potential future payments that may arise.



**The Returned & Services League of Australia (Tasmanian Branch) Inc.**

**ABN: 11 977 093 123**

**BOARD STATEMENT**

In accordance with a resolution of the Board of Management of The Returned & Services League of Australia (Tasmanian Branch) Inc., the Board of the entity declare that:

1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commissions Act 2012 and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements applicable to the entity and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - (b) give a true and fair view of the financial position of the entity as at 31 December 2022 and its performance for the year ended on that date, in accordance with the accounting policies described in Note 1 to the financial statements.
  
2. In the opinion of the Board, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Director - Finance

Dated: 28 March 2023

Chief Executive Officer



**The Returned & Services League of Australia (Tasmanian  
Branch) Inc. Board Members for the Year Ended 31 December  
2022**

President: Barry Quinn  
RSL National Director: Ross Byrne  
Vice President: Linton Harris

Regional Directors

- Peter Williams
- Michael Gallagher
- Graeme Best

Independent Directors

- Hayden Moore
- Belinda Clarke
- Patrick Carlisle (To Sept 2022)

A handwritten signature in black ink, appearing to read 'M. Clarke'.

**Auditor**  
27 April 2023



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**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA  
(TASMANIABRANCH) INC.  
ABN: 11 977 093 123**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUB  
DIVISION 60-C SECTION 60-40 OF THE AUSTRALIAN CHARITIES  
AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE  
DIRECTORS OF THE RETURNED & SERVICES LEAGUE OF AUSTRALIA  
(TASMANIA BRANCH) INC.**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Australian Charities And Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

**Michael Ian Derbyshire**  
Director Hobart

27 April 2023



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- ▶ Advisors
- ▶ Accountants
- ▶ Auditors



**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS THE RETURNED & SERVICES  
LEAGUE OF AUSTRALIA (TASMANIA BRANCH) INC.  
ABN: 11 977 093 123**

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### Opinion

We have audited the special purpose financial report of The Returned & Services League of Australia (Tasmania Branch) Inc. (the Entity), which comprises the balance sheet as at 31 December 2022, the profit and loss statement, cash flow statement and statement of changes in equity for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial report of The Returned & Services League of Australia (Tasmania Branch) Inc. has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- a) giving a true and fair view of the registered entity's financial position as at 31 December 2022, and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 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 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 special purpose financial report has been prepared for the purpose of fulfilling the responsible entities' financial

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Liability limited by a scheme approved under Professional Standards Legislation.

- Advisors
- Accountants
- Auditors





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.

### **Responsibility of the Responsible Entities for the Financial Report**

The Board of Management 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 described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Board's responsibility also includes such internal control as the responsible entities 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 Board is 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 Board either intends 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.

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Michael Ian Derbyshire**  
**Director**

27 April 2023