

ST KILDA GATEHOUSE INCORPORATED
ABN: 76 557 051 941

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

CONTENTS	Page No
Committee's Report	3
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Committee Member's Declaration	20
Independent Auditor's Report	22

Committee's Report

The committee members present their report, together with the financial statements, on St Kilda Gatehouse Inc for the financial year ended 30 June 2019.

Committee Members

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

Mark Watt (Chairperson)	Amanda Bartley (Secretary)
Ruth Baker (Deputy chairperson)	Desiree Smit
Dianne Azoor Hughes (Treasurer)	Pauline Richards

Principal Activities

St Kilda Gatehouse is a not for profit incorporated association which works alongside those involved in street based sex work or affected by commercial sexual exploitation as a result of hardship. St Kilda Gatehouse works to restore a sense of dignity and hope through providing immediate support and building trust and relationship by:

- providing a place of belonging;
- creating connections and the opportunity to participate in community life;
- helping individuals navigate pathways off the streets; and
- holistically building on individual strengths and capacity.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the association during the financial year ended 30 June 2019.

Matters Subsequent to the End of Financial Year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Operating Result

The entity made a loss of \$59,587 (2018: surplus of \$189,732). The current year accounting loss is attributable to government funding, which was expected for the current financial year, but when received this income had been allocated to the 2020 financial year by the funder. Hence, there is a corresponding increase in the balance for grants received in advance (refer note 9 to the financial statements).

St Kilda Gatehouse continues to seek long term partners to provide financial support for its critical outreach activities.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

This report is signed in accordance with a resolution of the members of the committee.



.....

MARK WATT



.....

S. DIANNE AZOOR HUGHES

St Kilda

11 November 2019

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of St Kilda Gatehouse Incorporated for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of 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.

**RSM AUSTRALIA PARTNERS****W J SPARGO**

Partner

Dated: 20 November 2019

Melbourne Victoria

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2019

	Note	2019	2018
		\$	\$
Government funding		101,352	194,574
Trust and foundations		365,885	380,350
Donations		71,638	86,701
Other income		61,641	63,940
Greeves St. social enterprise		169,844	116,904
Interest income		1,214	668
Total Revenue	2	771,574	843,137
Program expenses		(173,848)	(166,017)
Fundraising and promotional expenses		(7,943)	(10,028)
Staff expenses		(599,988)	(421,645)
Depreciation and amortisation	6, 7	(11,951)	(18,493)
Administration expense		(37,431)	(37,222)
Total expenditure	2	(831,161)	(653,405)
Net result from transactions		(59,587)	189,732
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		(59,587)	189,732

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 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	3	438,865	431,412
Accounts receivable and other debtors	4	34,516	21,131
Prepayments	5	13,158	15,968
Total Current Assets		486,539	468,511
Non-Current Assets			
Plant and equipment	6	34,118	14,618
Intangible Assets	7	-	-
Total Non-Current Assets		34,118	14,618
Total Assets		520,657	483,129
Current Liabilities			
Accounts payable and other payables	8	39,001	38,521
Grants received in advance	9	252,532	180,978
Employee Provisions	10	50,547	35,610
Total Current Liabilities		342,080	255,109
Non-Current Liabilities			
Employee Provisions	10	21,922	11,778
Total Non-Current Liabilities		21,922	11,778
Total Liabilities		364,002	266,887
Net Assets		156,655	216,242
Equity			
Retained surplus		156,655	216,242
Total Equity		156,655	216,242

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	Retained Surplus \$	Total Equity \$
Balance at 1 July 2017	26,510	26,510
Profit/(loss) attributed to equity	<u>189,732</u>	<u>189,732</u>
Balance at 30 June 2018	<u>216,242</u>	<u>216,242</u>
Balance at 1 July 2018	216,242	216,242
Profit/(loss) attributed to equity	<u>(59,587)</u>	<u>(59,587)</u>
Balance at 30 June 2019	<u>156,655</u>	<u>156,655</u>

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

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flow from operating activities			
Receipts from donations and grants		553,959	646,910
Receipts from fundraising events		169,844	131,392
Receipts from other income		127,754	119,012
Payments to suppliers		(237,746)	(272,295)
Payments to employees		<u>(574,907)</u>	<u>(412,701)</u>
Net cash generated from / (used in) operating activities	11	<u>38,904</u>	<u>212,318</u>
Cash flow from investing activities			
Payment for plant and equipment		<u>(31,451)</u>	<u>(3,849)</u>
Net cash used in investing activities		<u>(31,451)</u>	<u>(3,849)</u>
Net increase / (decrease)		7,453	208,469
Cash and cash equivalents at the beginning of the financial year		<u>431,412</u>	<u>222,943</u>
Cash and cash equivalents at the end of the financial year		<u>438,865</u>	<u>431,412</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

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

a. Reporting entity

The financial statements cover St Kilda Gatehouse Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is the entity's functional and presentation currency.

St Kilda Gatehouse Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

12-16 Belford Street
St Kilda VIC 3182

A description of the nature of the incorporated association's operations and its principal activities are included in the Committee's report, which is not part of the financial statements.

The financial statements were authorised for issue on 11 November 2019.

b. Basis of preparation

(i) Special purpose financial report

In the committee's opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the requirements of the *Associations Incorporation Report Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The committee has determined that the accounting policies adopted are appropriate to meet the needs of the members of St Kilda Gatehouse Incorporated.

The financial report has been prepared in accordance with all recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures that are considered necessary by the committee to meet the needs of the members of the association. The association is a not-for-profit entity for the purposes of preparing the financial statements.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention unless otherwise stated in the notes.

c. Revenue

Non-reciprocal grant revenue is recognized in the 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.

Donations and bequests are recognized as revenue when received, except for donations of preloved goods for sale through the Greeves St Op Shop which are recognized as revenue when sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (cont'd)

c. Revenue (cont'd)

Interest revenue is recognized when received. Dividend revenue is recognized when the right to receive a dividend has been established.

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

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

d. Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event that the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognized at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including capitalized lease assets, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

	2019	2018
Plant and Equipment	20 – 33%	20 – 33%
Motor Vehicles	20%	20%
Leasehold Improvements	20 – 33%	20 – 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds on disposal with the carrying amount. These gains and losses are recognized in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (cont'd)

e. Intangibles

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortization and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

f. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases. The entity does not have any finance 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.

g. Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. The entity's financial instruments comprise accounts receivable (note 1l) and accounts payable (note 1m) only.

h. Impairment of assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognized in the income and expenditure statement.

i. Employee benefits

Provisions for employee benefits are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date.

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 as 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (cont'd)

i. Employee benefits (cont'd)

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Defined contribution superannuation expense

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

j. Provisions

Provisions are recognized when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and cash equivalent

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables are recognised at amortised cost, less any allowance for expected credit losses. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

m. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognized as a current liability with the amount being normally paid within 30 days of recognition of the liability.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognized 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.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (cont'd)

o. 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*.

p. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

q. Critical Accounting Estimates and Judgments

The committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

r. New or amended Accounting Standards and Interpretations adopted

The incorporated 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.

Title	Summary	Application date	Expected Impact
<i>AASB 1058 Income for not for profit entities</i>	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	Annual reporting period beginning on or after 1 January 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.
<i>AASB 16 Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	Annual reporting period beginning on or after 1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (cont'd)

r. New or amended Accounting Standards and Interpretations adopted (Cont'd)

Title	Summary	Application date	Expected Impact
			Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. No change for lessors.
<i>AASB 15: Revenue from Contracts with Customers, and related amending standards and interpretations</i>	This standard establishes a new control-based revenue recognition model which changes the basis for deciding whether revenue is to be recognised over time or at a point in time and provides new and more detailed guidance on specific topics and expands disclosures about revenue.	Annual reporting period beginning on or after 1 January 2019	Management has assessed that the impact of initial application of this standard will not be significant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 2. Revenue and Expenses

Revenue and expenses for the financial year are presented in the classifications used for funding acquittals and internal reporting.

	2019	2018
	\$	\$
Note 3. Cash and Cash Equivalents		
Cash at bank	438,265	431,012
Cash float	600	400
Total Cash and cash equivalents	<u>438,865</u>	<u>431,412</u>

Note 4. Accounts Receivable and Other Debtors

CURRENT		
Accounts receivables	34,516	21,131
	<u>34,516</u>	<u>21,131</u>

Note 5. Prepayments

CURRENT		
Prepayments	13,158	15,968
	<u>13,158</u>	<u>15,968</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 6. Plant and Equipment

	2019	2018
	\$	\$
Plant and equipment - at cost	58,576	49,407
less accumulated depreciation	<u>(46,078)</u>	<u>(41,854)</u>
	12,498	7,553
Motor vehicles - at cost	33,257	20,075
less accumulated depreciation	<u>(17,733)</u>	<u>(13,718)</u>
	15,524	6,357
Leasehold improvement - at cost	21,144	12,044
less accumulated amortisation	<u>(15,048)</u>	<u>(11,336)</u>
	6,096	708
Total plant and equipment	<u>34,118</u>	<u>14,618</u>

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Plant and equipment	Motor vehicle	Leasehold improvement	Total
		\$	\$	\$
Balance at 1 July 2017	16,514	10,372	4,698	31,584
Additions	3,849	-	-	3,849
Disposals	(2,050)	-	(272)	(2,322)
Depreciation and amortisation	(10,760)	(4,015)	(3,718)	(18,493)
Balance at 30 June 2018	<u>7,553</u>	<u>6,357</u>	<u>708</u>	<u>14,618</u>
Additions	9,169	13,182	9,100	31,451
Disposals	-	-	-	-
Depreciation and amortisation	(4,224)	(4,015)	(3,712)	(11,951)
Balance at 30 June 2019	<u>12,498</u>	<u>15,524</u>	<u>6,096</u>	<u>34,118</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 7. Intangible Assets

	2019	2018
	\$	\$
Computer software - at cost	14,560	14,560
less accumulated amortisation	<u>(14,560)</u>	<u>(14,560)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Note 8. Accounts Payables and Other Payables

Suppliers and services	21,400	10,517
Other payable	6,169	15,732
GST Payable	<u>11,432</u>	<u>12,273</u>
	<u>39,001</u>	<u>38,522</u>

Note 9. Grants Received in Advance

Repayable government and philanthropic grants	<u>252,532</u>	<u>180,978</u>
	<u>252,532</u>	<u>180,978</u>

This liability represents funds from gifts received, but not yet spent in accordance with the wishes of the donors. Funds are brought to account through the Income and Expenditure Statement as expenses are incurred and projects are completed.

Note 10. Employee Provisions

CURRENT

Provisions for annual leave	38,035	23,055
Provisions for long service leave - unconditional	<u>12,512</u>	<u>12,555</u>
	<u>50,547</u>	<u>35,610</u>

NON-CURRENT

Provisions for long service leave - conditional	<u>21,922</u>	<u>11,778</u>
	<u>21,922</u>	<u>11,778</u>

Total employee provisions	<u><u>72,469</u></u>	<u><u>47,388</u></u>
----------------------------------	-----------------------------	-----------------------------

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

Note 11. Reconciliation of cash flows from operations with net current year surplus

	2019	2018
	\$	\$
Net current year surplus / (deficits)	(59,587)	189,732
Non-cash flows in profit		
Depreciation and amortisation	11,951	18,492
(Gain) / loss on disposal of plant and equipment	-	2,323
Changes in assets and liabilities		
(Increase) / decrease in accounts receivable	(13,385)	3,560
(Increase) / decrease in other assets	2,810	5,959
Increase / (decrease) in grants received in advance	71,554	(7,159)
Increase / (decrease) in trade and other payables	480	560
Increase/ (decrease) in provisions	25,081	(1,149)
Net cash flows from operating activities	38,904	212,318

Note 12. Related party transaction

Staff expenses includes an amount of \$10,000 paid to a committee member for the development of a business plan and implementation of a change management program during the period January to June 2019.

COMMITTEE MEMBERS' DECLARATION

For the financial year ended 30 June 2019

In the opinion of the members of the committee of St Kilda Gatehouse Inc:

- (a) St Kilda Gatehouse Inc 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 purpose of complying with the *Associations Incorporation Reform Act 2012* (Vic) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth);
- (b) the financial statements and notes set out on pages 6 to 19, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of St Kilda Gatehouse Inc's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;
 - (ii) complying with Australian Accounting Standards and other mandatory professional reporting requirements; and
- (c) there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

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



.....
MARK WATT



.....
S. DIANNE AZOOR HUGHES

St Kilda
11 November 2019

ST KILDA GATEHOUSE INC
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Mark Watt of St Kilda Gatehouse Inc certify that:

- a. I attended the annual general meeting of the St Kilda Gatehouse Inc held on 11 November 2019.
- b. The financial statements for the year ended 30 June 2019 were submitted to the members of committee at its annual general meeting.

Dated this 11 November 2019



.....
MARK WATT (CHAIR)

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of the St Kilda Gatehouse Incorporated

Opinion

We have audited the financial report of the St Kilda Gatehouse Incorporated (the Association), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee members' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-For-Profits Commissions Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements, *Associations Incorporation Reform Act 2012* 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 Association in accordance with the auditor independence requirements of the Australian professional accounting bodies 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.

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 committee members' financial reporting responsibilities under the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-For-Profits Commissions Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-For-Profits Commissions Act 2012* and is appropriate to meet the needs of the members. The committee members' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the ability of the Association 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 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 Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



W J SPARGO

Partner

Dated: 20 November 2019
Melbourne, Victoria