

ACT Council of Social Service Incorporated

ABN 81 818 8 988

Financial Statements

For the Year Ended 30 June 2019

ACT Council of Social Service Incorporated

ABN 81 818 8 988

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For the Year Ended 30 June 2019

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ACT Council of Social Service Incorporated

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Board's Report

30 June 2019

The Board Members present their report on ACT Council of Social Service Incorporated for the financial year ended 30 June 2019.

General information

Board Members

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

Glenda Stevens - Chair
Martin Fisk - Vice Chair
Bruce Papps - Treasurer
Beth Slatyer
Lynnice Church
Dalane Drexler
Karen McKernan
Petrea Messent
Alicia Flack Kone
Anthony Egeland
Lee Maiden
Andrew Scotford

Associate Member
Menslink
Northside Community Service
Associate Member
Associate Member
ACT Mental Health Consumer Network
Mental Health Foundation ACT
Dementia Australia
ACT Down Syndrome Association
Anglicare NSW South, NSW West and ACT
Communities@Work
CIT Student Association

Principal activities and significant changes in nature of activities

The principal activities of ACT Council of Social Service Incorporated during the financial year was to represent community based welfare and human service organisations in Canberra.

There were no significant changes in the nature of ACT Council of Social Service Incorporated's principal activities during the financial year.

Operating result

The deficit of the Association for the financial year after providing for income tax amounted to \$2,259 (2018 Deficit: \$39,555).

Events after the reporting date

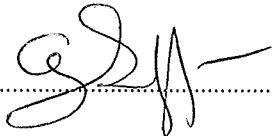
No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

ACT Council of Social Service Incorporated

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Board's Report
30 June 2019

Signed in accordance with a resolution of the Members of the Board:

Chair: 

Treasurer: 

Dated this 1st day of November 2019

Auditor's Independence Declaration

To the Committee Members of ACT Council of Social Services Incorporated

As auditor for the audit of the ACT Council of Social Services 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 the auditor independence requirements of the *Australian Charities and Not for Profits Commissions Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Vincent's



Josie-Marie Lopez

Director

1 November 2019

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ACT Council of Social Service Incorporated

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Grant funding	4	1,117,514	1,139,828
Other income	4	166,000	185,563
Finance Income	5	11,566	16,303
Total Revenue		1,295,080	1,341,694
Employee expenses		(1,026,747)	(959,496)
Accounting fees		(9,402)	(21,950)
Depreciation		(4,389)	(2,674)
External labour and consulting		(112,985)	(233,762)
Meeting and seminars		(24,224)	(48,515)
Publication costs		(4,168)	(16,697)
Rent		(29,229)	(28,591)
Other expenses		(86,195)	(69,564)
Total Expenditure		(1,297,339)	(1,381,249)
Deficit from Operations		(2,259)	(39,555)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		(2,259)	(39,555)

The accompanying notes form part of these financial statements.

ACT Council of Social Service Incorporated

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Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	436,947	240,995
Trade and other receivables	7	21,830	10,431
Investments	6	118,432	336,181
Other assets	10	18,500	15,242
TOTAL CURRENT ASSETS		595,709	602,849
NON-CURRENT ASSETS			
Other financial assets	8	10,000	10,000
Property, plant and equipment	9	13,508	1,530
TOTAL NON-CURRENT ASSETS		23,508	11,530
TOTAL ASSETS		619,217	614,379
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	104,084	102,444
Provisions	13	69,601	67,290
Grants received in advance	12	67,230	64,084
TOTAL CURRENT LIABILITIES		240,915	233,818
NET ASSETS		378,302	380,561
EQUITY			
Reserves		322,688	322,688
Retained earnings		55,614	57,873
TOTAL EQUITY		378,302	380,561

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2018	57,873	322,688	380,561
Comprehensive income attributable to members	(2,259)	-	(2,259)
Balance at 30 June 2019	<u>55,614</u>	<u>322,688</u>	<u>378,302</u>

2018

	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	97,428	322,688	420,116
Comprehensive income attributable to members	(39,555)	-	(39,555)
Balance at 30 June 2018	<u>57,873</u>	<u>322,688</u>	<u>380,561</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and operating grants	1,400,870	1,453,286
Payments to suppliers and employees	(1,415,454)	(1,528,746)
Interest received	9,154	14,693
Net cash used in operating activities	<u>(5,430)</u>	<u>(60,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	<u>(16,367)</u>	-
Net cash used in investing activities	<u>(16,367)</u>	-
Net (decrease) in cash and cash equivalents held	(21,797)	(60,767)
Cash and cash equivalents at beginning of year	577,176	637,943
Cash and cash equivalents at end of financial year	6 <u>555,379</u>	<u>577,176</u>

The accompanying notes form part of these financial statements.

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers ACT Council of Social Service Incorporated as an individual entity. ACT Council of Social Service Incorporated is a not-for-profit Association incorporated in the Australian Capital Territory under the *Australian Charities and Not-for-Profits Commission Act 2012*, and the *Associations Incorporation Act (ACT) 1991*.

The principal activities of the Association for the year ended 30 June 2019 was to represent community based welfare and human service organisations in Canberra.

The functional and presentation currency of ACT Council of Social Service Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, 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.

When grant revenue is received whereby the Association 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.

ACT Council of Social Service Incorporated receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

- (c) **Revenue and other income**
of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Other income

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

- (d) **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.

- (e) **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.

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Electrical Equipment	10%
Office Equipment	20%
Computer Equipment	20-25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

- (f) **Financial instruments**

Financial assets

The Association has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2019.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Financial Instruments

Financial assets

As part of the adoption of AASB 9, the Association adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Association's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Association has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

The financial assets of the Association have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Fair value through profit or loss (FVTPL)
- Financial Assets at Amortised Cost

Impairment of Financial Assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or 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.

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) 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 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.

Long service leave is paid to the ACT Long Service Leave Authority, which was established under the *Long Service Leave (Portable Schemes) Act 2009* to administer portable long service leave benefit schemes for workers in the ACT engaged in the Community Sector. The Association however does hold a long service leave provision which relates to employees who were employed by the Association prior to the commencement of the ACT Portable Long Service Leave Scheme in 2010.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(i) Adoption of new and revised accounting standards

Title of Standard	AASB 15 Revenue from Contracts with Customers
Nature of change	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	Management is currently assessing the effects of applying the new standard on the Association's financial statements. The Association derives key revenue from grant revenue, seminars and membership.
Mandatory application date/ Date of adoption by the Association	Mandatory for financial years commencing on or after 1 January 2019, but available for early adoption. The Association does not intend to adopt AASB 15 before its mandatory date.
Title of Standard	AASB 16 Leases
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.
Impact	The standard will affect primarily the accounting for the Association's operating leases. As at the reporting date, the Association did not hold any non-cancelable operating leases as their office was being leased on a month to month basis, see note 14. However, if they were to enter into another office lease, the Association has not yet determined to what extent these commitment will result in the recognition of an asset and a liability for future payments and how this will affect the Association's profit and classification of cash flows.
Mandatory application date/ Date of adoption by the Association	Mandatory for financial years commencing on or after 1 January 2019, but available for early adoption. The Association does not intend to adopt AASB 16 before its mandatory date.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Critical Accounting Estimates and Judgments

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

ACT Council of Social Service Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2019

4 Revenue and Other Income

	2019	2018
	\$	\$
Government and grant funding:		
- Peak body program	649,067	633,545
- Gulanga	269,617	313,169
- Energised consumers	56,000	50,237
- ACTEWAGL	-	5,971
- CD Net	15,000	13,000
- CASP	75,480	75,480
- HCC grant	-	18,182
- Other	52,350	30,244
- Total grant funding	1,117,514	1,139,828
- Other Income:		
- Seminars	56,953	118,057
- Membership	54,586	54,302
- Other revenue	54,461	14,813
- Total Other Income	166,000	187,172
Total Revenue	1,283,514	1,327,000

5 Finance Income

Interest income		
- Assets measured at amortised cost	9,154	14,693
	9,154	14,693
Dividend income		
- Dividend income	2,412	1,610
	2,412	1,610
Total finance income	11,566	16,303

The Association has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

6 Cash and Cash Equivalents

Cash at bank and in hand	436,947	240,995
Short-term deposits	118,432	336,181
	555,379	577,176

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	21,830	10,431
	<u>21,830</u>	<u>10,431</u>

8 Other Financial Assets

(a) Financial assets at fair value through profit or loss		
Investments - fair value	10,000	10,000
Total	<u>10,000</u>	<u>10,000</u>

9 Property, plant and equipment

Computer equipment		
At cost	21,927	4,714
Accumulated depreciation	(15,540)	(3,184)
Total computer equipment	<u>6,387</u>	<u>1,530</u>
Office equipment		
At cost	17,835	30,986
Accumulated depreciation	(10,714)	(30,986)
Total office equipment	<u>7,121</u>	<u>-</u>
Electrical equipment		
At cost	31,468	31,468
Accumulated depreciation	(31,468)	(31,468)
Total electrical equipment	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>13,508</u>	<u>1,530</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment \$	Computer Equipment \$	Total \$
Year ended 30 June 2019			
Balance at the beginning of year	-	1,530	1,530
Additions	8,215	8,152	16,367
Depreciation expense	(1,094)	(3,295)	(4,389)
Balance at the end of the year	7,121	6,387	13,508

The Association performed a full stocktake of all PPE assets held on 12 February 2019. Assets that were fully depreciated and have been removed from the asset register in prior years have been added back, together with their corresponding accumulated depreciation, to reflect all assets currently held by the Association. Since these assets are fully depreciated the net impact on the written down value is nil.

10 Other Assets

	2019 \$	2018 \$
CURRENT		
Prepayments	16,643	7,385
Accrued income	1,857	7,857
	18,500	15,242

11 Trade and Other Payables

CURRENT		
Trade payables	3,493	11,871
GST payable	29,826	24,113
Accrued expenses	46,961	35,675
Other payables	23,804	30,785
	104,084	102,444

12 Other Financial Liabilities

CURRENT		
Amounts received in advance	67,230	64,084

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Long service leave	6,300	7,965
Other employee benefits	63,301	59,325
	<u>69,601</u>	<u>67,290</u>

14 Reserves

(a) General reserve

The general reserve records funds set aside three months of operating expenses for ACT Council of Social Service Incorporated.

15 Leasing Commitments

(a) Operating leases

Minimum lease payments under non-cancellable operating leases:
- not later than one year

	-	21,922
	-	<u>21,922</u>

The current lease expired on 31 March 2019. Since then the rental agreement has been on a month by month basis, and as such there is no current commitments for operating leases.

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of ACT Council of Social Service Incorporated during the year are as follows:

Short-term employee benefits	369,216	321,259
Long-term benefits	5,714	4,975
Superannuation contribution	33,196	32,368
	<u>408,126</u>	<u>358,602</u>

17 Auditors' Remuneration

Remuneration of the auditor		
- auditing the financial statements	7,350	7,000

18 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2019 (30 June 2018: None).

ACT Council of Social Service Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Related Parties

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The membership of the ACT Council of Social Service Incorporated include delegates from participating organisations and associations; these are deemed related parties.

Other than the receipt of membership subscriptions, and key management personnel, no related party transactions arose in the year (2018: nil).

Key management personnel - refer to Note 15.

20 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 may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

21 Statutory Information

The registered office and principal place of business of the Association is:

ACT Council of Social Service Incorporated
Weston Community Hub
1/6 Gritten Street
WESTON ACT 2611

ACT Council of Social Service Incorporated

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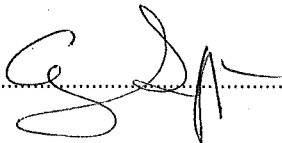
Statement by Members of the Board

In the opinion of the board the financial report as set out on pages 3 to 18:

- Present fairly the financial position of ACT Council of Social Service Incorporated as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
- At the date of this statement, there are reasonable grounds to believe that ACT Council of Social Service Incorporated will be able to pay its debts as and when they fall due.

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

Chair



Treasurer



Dated

01 November 2019

Independent Audit Report to the members of ACT Council of Social Service Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ACT Council of Social Service Incorporated ("ACT COSS"), which comprises the statement of financial position as at 30 June 2019, 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 entities' declaration.

In our opinion the financial report of ACT COSS has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, and subsection 72(2) of the *Associations Incorporation Act (ACT) 1991* including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) Complying with Australian Accounting Standards, Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, and subsection 72(2) of the *Associations Incorporation Act (ACT) 1991*.

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 registered 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 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.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Association Incorporation Act (ACT) 1991* and Division 60 of 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 report that gives a true and fair view that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, management is responsible for assessing the registered entity'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 registered entity or to cease operations, or has 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 registered 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 registered 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 those charged with governance 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.

Vincents

Josie-Marie Lopez
Partner

1 November 2019