

# **Playgroup Tasmania Inc**

## **Financial Statements**

**30 June 2021**

Playgroup Tasmania Inc  
**Financial Statements**  
30 June 2021

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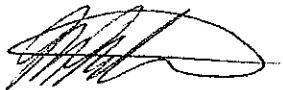
Playgroup Tasmania Inc

## Board Member List

30 June 2021

CEO:	Jacinda Armstrong
Public Officer:	
Treasurer:	Nicole Crook
Chair:	Kathryn Fordyce
Secretary:	Susan Conway
Vice Chair:	Anna Dryburgh
Board Member:	Monica Plunkett
Board Member:	Luke Sayer
Board Member:	Jess Greene
Board Member:	Kama Graham

*Crowe Audit Australia*  
Crowe Audit Australia



Malcolm Matthews  
Partner

Date 25 October 2021

Playgroup Tasmania Inc

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Income</b>			
Events and Fundraising Income		1,440	16,833
Grants	3	166,688	56,596
Hall and Toy Hire		-	750
Mainstream Funding from Playgroup Australia		390,679	423,067
Membership Income		2,111	1,704
Other Income		1,200	38,906
<b>Total Income</b>		<b>562,117</b>	<b>537,856</b>
<b>Cost of Sales</b>			
Playgroup Supplies / Resources & COS		23,776	46,976
<b>Total Cost of Sales</b>		<b>23,776</b>	<b>46,976</b>
<b>Gross Profit</b>		<b>538,342</b>	<b>490,881</b>
<b>Other Income</b>			
Cashflow Boost		26,783	44,638
Jobkeeper received		124,500	45,000
Holbrook St Redevelopment - Grant		-	74,721
<b>Total Other Income</b>		<b>151,283</b>	<b>164,359</b>
<b>Operating Expenses</b>			
Administration & Office Expenses		103,131	62,512
Occupancy Expenses		43,970	34,858
Wages & Staff Cost Expenses		387,022	334,669
<b>Total Operating Expenses</b>		<b>534,123</b>	<b>432,039</b>
<b>Operating Profit</b>		<b>155,501</b>	<b>223,200</b>
<b>Non-operating Expenses</b>			
Loss on Disposal of Fixed Assets		-	3,824
Audit adjustments		767	2,541
<b>Total Non-operating Expenses</b>		<b>767</b>	<b>6,365</b>
<b>Net Profit/(Loss)</b>		<b>154,734</b>	<b>216,835</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		<b>154,734</b>	<b>216,835</b>

This statement should be read in conjunction with the accompanying notes

Playgroup Tasmania Inc

## Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash at Bank	4	486,679	268,826
Accounts Receivable		9,018	5,581
Prepaid Insurance		6,847	-
Accrued Income		-	43,730
<b>Total Current Assets</b>		<b>502,544</b>	<b>318,138</b>
<b>Non-Current Assets</b>			
Fixed Assets	5	440,242	457,624
<b>Total Non-Current Assets</b>		<b>440,242</b>	<b>457,624</b>
<b>Total Assets</b>		<b>942,785</b>	<b>775,762</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Employee Provisions and Payables	6	39,813	23,912
Holding Funds - Hadspen Playgroup		1,394	-
Holding Funds - Prospect Playgroup		796	-
Playgroup Australia Loan		30,000	30,000
Trade Creditors	7	14,521	17,945
Contract Liabilities		16,601	20,624
<b>Total Current Liabilities</b>		<b>103,125</b>	<b>92,481</b>
<b>Non-Current Liabilities</b>			
Provision for Long Service Leave		4,664	3,019
<b>Total Non-Current Liabilities</b>		<b>4,664</b>	<b>3,019</b>
<b>Total Liabilities</b>		<b>107,789</b>	<b>95,500</b>
<b>Net Assets</b>		<b>834,996</b>	<b>680,262</b>
<b>Equity</b>			
Current Year Earnings		154,734	216,835
Retained Earnings		680,262	463,426
<b>Total Equity</b>		<b>834,996</b>	<b>680,262</b>

This statement should be read in conjunction with the accompanying notes  
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Playgroup Tasmania Inc

## Statement of Changes in Equity

As at 30 June 2021

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2020	680,262	680,262
Total comprehensive income for the year	154,734	154,734
<b>Balance at 30 June 2021</b>	<b>834,996</b>	<b>834,996</b>

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019	463,426	463,426
Total comprehensive income for the year	216,835	216,835
<b>Balance at 30 June 2020</b>	<b>680,262</b>	<b>680,262</b>

This statement should be read in conjunction with the accompanying notes  
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Playgroup Tasmania Inc  
**Statement of Cashflows**

As at 30 June 2021

	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	746,555	653,845
Interest income	292	1,451
Payments to suppliers and employees	(531,117)	(430,454)
GST refunded/(paid)	7,455	(1,923)
<b>Net cashflows from operating activities</b>	<u>223,185</u>	<u>222,919</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant & equipment	-	2,500
Payments for property, plant & equipment	(5,332)	(130,015)
<b>Net cashflows from investing activities</b>	<u>(5,332)</u>	<u>(127,515)</u>
<b>Cash flows from financing activities</b>		
Loan repayment	-	(30,000)
<b>Net cashflows from financing activities</b>	<u>-</u>	<u>(30,000)</u>
<b>Net increase/decrease in cash held</b>	<u>217,853</u>	<u>65,404</u>
<b>Cash at the beginning of the financial year</b>	<u>268,826</u>	<u>203,422</u>
<b>Cash at the end of the financial year</b>	<u>486,679</u>	<u>268,826</u>

Playgroup Tasmania Inc

# Notes to the Financial Statements

30 June 2021

## 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

In the committees' 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 Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Act (Tasmania) 1964. The committee have determined that the accounting policies adopted are appropriate to meet the needs of the members of Playgroup Tasmania Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

### **Historical cost convention**

The financial statements have been prepared under the historical cost convention.

### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Revenue recognition**

The incorporated association recognises revenue as follows:

#### ***Revenue from contracts with customers***

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.



Playgroup Tasmania Inc

# Notes to the Financial Statements

30 June 2021

## 1 Significant accounting policies (continued)

### Grants

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Playgroup Tasmania Inc

## Notes to the Financial Statements

30 June 2021

### 1 Significant accounting policies (continued)

#### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Employee benefits**

##### *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 at 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.

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Playgroup Tasmania Inc

# Notes to the Financial Statements

30 June 2020

## 1 Significant accounting policies (continued)

### Fair value measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## 2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Estimation of useful lives of assets*

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Playgroup Tasmania Inc

## Notes to the Financial Statements

30 June 2021

### 2 Critical accounting judgements, estimates and assumptions (continued)

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The incorporated association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Revenue recognition*

For many of the grant agreements, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at Playgroup Tasmania Inc, review of the underlying documents prepared during the grant application phases and consideration of the terms and conditions. Grant income received by Playgroup Tasmania Inc has been accounted for under both AASB 15 and AASB 1058 depending on the terms

### 3 Grants

#### Economic dependency

Playgroup Tasmania is depend on the ongoing receipt of grants from the State government, local government and non-government organisations to continue to deliver community services. At the date of this report, the directors have no reason to believe that the State and local government and non-government organisations will discontinue their support of the Playgroup Tasmania.

	2021	2020
	\$	\$
State Government Grants	22,624	35,978
Grants from Councils	1,000	-
Grants from Non-government Organisations	143,064	20,618
<b>Total Grants</b>	<b>166,688</b>	<b>56,596</b>

### 4 Cash at Bank

Bank		
Bendigo Acc Burn 156346611	456	743
Bendigo Acc CEO 156347460	4,200	3,093
Bendigo Acc Hobart 156346918	504	517
Bendigo Acc Ltn 156347262	614	785
Bendigo Trading Acc 156146987	467,941	250,482
CBA Cheque Acc 2801 8636	12,864	13,106
Petty Cash Float North	100	100
<b>Total Bank</b>	<b>486,679</b>	<b>268,826</b>

Playgroup Tasmania Inc

## Notes to the Financial Statements

30 June 2021

	2021	2020
	\$	\$
<b>5 Fixed Assets</b>		
<b>Fixed Assets</b>		
35 Holbrook Street - Land	140,000	140,000
34 Holbrook Street - Playground	107,220	107,220
34 Holbrook Street - Playground - Less Accumulated Depreciation	(7,148)	-
35 Holbrook Street - Building	140,000	140,000
35 Holbrook Street - Building - Less Accumulated Depreciation	(10,976)	(5,600)
Computer Equipment	16,459	12,217
Computer Equipment - Less Accumulated Depreciation	(7,931)	(7,203)
Computer Equipment - South	1,995	1,995
Computer Equipment - South Less Accumulated Depreciation	(2,646)	(1,889)
Furniture & Fixtures	2,555	2,555
Furniture & Fixtures Less Accumulated Depreciation	(1,647)	(1,546)
Motor Vehicle at Cost	83,902	83,902
Motor Vehicles - Less Accumulated Depreciation	(25,373)	(17,417)
Plant & Equipment - NW	13,052	13,052
Plant & Equipment - NW Less Accumulated Depreciation	(13,075)	(12,644)
Plant & Equipment - State	8,859	7,769
Plant & Equipment - State Less Accumulated Depreciation	(5,005)	(4,786)
<b>Total Fixed Assets</b>	<b>440,242</b>	<b>457,624</b>
<b>6 Employee Provisions and Payables</b>		
<b>Employee Provisions and Payables</b>		
Provision for Annual Leave	23,189	21,797
Superannuation Payable	2,647	2,116
Wages Payable - Payroll	13,977	-
<b>Total Employee Provisions and Payables</b>	<b>39,813</b>	<b>23,912</b>
<b>7 Trade Creditors</b>		
<b>Trade Creditors</b>		
Accounts Payable	5,250	17,159
GST	3,053	(4,402)
PAYG Withholdings Payable	6,218	5,188
<b>Total Trade Creditors</b>	<b>14,521</b>	<b>17,945</b>

Playgroup Tasmania Inc

## Notes to the Financial Statements

30 June 2021

### 8 Reconciliation of Surplus from Operating Activities to Net Cash from Operating Activities

	2021	2020
	\$	\$
Net Profit/(Loss) for the year	154,734	216,835
<b>Non-cash flows in profit:</b>		
Depreciation	22,714	15,317
Loss on Disposal of Fixed Assets	-	3,035
<b>Change in operating assets and liabilities:</b>		
Decrease/(increase) in accounts receivable	33,447	(46,919)
(Decrease)/increase in grants and fees paid in advance	(4,023)	20,624
(Decrease)/increase in accounts payable	5,820	6,984
(Decrease)/increase in employee entitlements	3,038	8,965
(Decrease)/increase in GST liability	7,455	(1,923)
<b>Net Cash From Operating Activities</b>	<b>223,185</b>	<b>222,919</b>

### 9 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe Audit Australia, the auditor of the incorporated association:

	2021	2020
	\$	\$
Audit services - Crowe Audit Australia	3,700	3,550
<b>Audit services</b>	<b>3,700</b>	<b>3,550</b>

### 10 Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2021 (2020: nil).

### 11 Commitments

The incorporated association had no commitments as at 30 June 2021 (2020: nil).

### 12 Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 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.

Playgroup Tasmania Inc  
**Board's Declaration**

In the opinion of the board, the financial report:

- (a) as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act (Tasmania) 1964.
- (b) complies with the Accounting Standards as described in note 1 to the financial statements;
- (c) gives a true and fair view of the Incorporated Association's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- (d) 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: Michelle Crook  
Position: Treasurer  
Date: 25/10/2021

Playgroup Tasmania Inc

## Auditor's Independence Declaration

30 June 2021

To the Board of Playgroup Tasmania Inc:

In accordance with the requirement of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Playgroup Tasmania Inc for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

*Crowe Audit Australia*  
CROWE AUDIT AUSTRALIA



Malcolm Matthews  
Partner

Launceston

*Date* 25 October 2021





Crowe Audit Australia  
ABN 84 005 466 351  
62 Paterson Street  
LAUNCESTON TAS 7250  
PO Box 1000  
LAUNCESTON TAS 7250  
Main +61 (0) 6323 1222  
Fax +61 (0) 6323 1231  
www.crowe.com.au

## Playgroup Tasmania Inc

Independent Auditor's Report to the Members of Playgroup Tasmania Inc

### Opinion

We have audited the financial report of Playgroup Tasmania Inc (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income for the year then ended, statement of changes in equity, statement of cashflows, the notes to the financial statements and the board's declaration.

In our opinion, the financial report of Playgroup Tasmania Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- Giving a true and fair view of Playgroup Tasmania Inc's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards to the extent described in Note 1 of the financial report 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (Tasmania) 1964*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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### **Responsibilities of the Committee for the Financial Report**

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Association 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 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 the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance'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 the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



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• Evaluates 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. The auditor communicates 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 the auditor identifies during the audit.

*Crowe Audit Australia*  
CROWE AUDIT AUSTRALIA

Malcolm Matthews  
Partner

Launceston

*Date 25 October 2021*