



Community Child Care Association Inc.

ABN 90 494 504 678

Annual financial report

For the year ended 30 June 2023

Community Child Care Association Inc.

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Annual financial report For the year ended 30 June 2023

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Community Child Care Association Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Income			
Grants and service agreements	2	9,122,362	8,579,579
Trainings and conferences		281,726	228,336
Membership fees		82,643	80,345
Interest		59,664	2,358
Other income	3	55,404	6,126
Total income		9,601,799	8,896,744
Expenditure			
Employee benefits expense	4	2,927,092	2,678,236
Service delivery costs	5	599,344	551,040
Grants distributed	6	5,662,636	5,436,370
Accommodation expenses		107,840	105,916
Administrative expenses		38,781	35,521
Communications		67,296	72,469
Depreciation	7	13,978	13,980
Finance costs		954	1,245
Other expenses	8	152,421	134,551
Total expenditure		9,570,342	9,029,328
Net result for the period		31,457	(132,584)
Other comprehensive income (expense)		-	-
Total comprehensive result for the period		31,457	(132,584)

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	9	5,974,045	1,863,595
Receivables	10	87,908	1,934,574
Prepayments		31,988	83
Total current assets		6,093,941	3,798,252
Non-current assets			
Equipment	11	824	1,000
Right-of-use assets	12	227,527	13,671
Total non-current assets		228,351	14,671
Total assets		6,322,292	3,812,923
Liabilities			
Current liabilities			
Payables	13	1,045,474	1,415,853
Lease Liabilities	12	226,898	14,203
Provisions	14	623,131	558,601
Income received in advance	15	3,305,423	744,908
Total current liabilities		5,200,926	2,733,565
Non-current liabilities			
Provisions	14	38,828	28,277
Total non-current liabilities		38,828	28,277
Total liabilities		5,239,754	2,761,842
Net assets		1,082,538	1,051,081
Equity			
Reserves		200,608	200,608
Retained surplus		881,930	850,473
Total equity	16	1,082,538	1,051,081

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Statement of changes in equity
For the year ended 30 June 2023

	Note	Retained surplus \$	Reserves \$	TOTAL \$
Balance at 1 July 2021		982,879	200,786	1,183,665
Net result for the period		(132,584)		(132,584)
Reserve transfers	16	178	(178)	-
Balance at 30 June 2022		850,473	200,608	1,051,081
Net result for the period		31,457		31,457
Reserve transfers	16	-	-	-
Balance at 30 June 2023	16	881,930	200,608	1,082,538

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Grants and service agreements (inclusive of GST)		14,696,931	7,515,839
Other receipts (inclusive of GST)		436,702	381,013
Employee benefits paid		(2,795,255)	(2,683,917)
Grants distributed (inclusive of GST)		(6,874,400)	(7,083,788)
Payments to suppliers (inclusive of GST)		(389,835)	(996,469)
Interest received		32,164	2,387
Interest paid		(954)	(1,245)
Net GST paid to ATO		(979,940)	(388,096)
Net cash provided by (used in) operating activities	17	4,125,413	(3,254,275)
Cash flow from financing activities			
Principal portion of lease payments		(14,963)	(13,662)
Net cash used in financing activities		(14,963)	(13,662)
Net change in cash held		4,110,450	(3,267,937)
Cash and cash equivalents at beginning of year		1,863,595	5,131,532
Cash and cash equivalents at end of year	9	5,974,045	1,863,595

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Note 1. Statement of significant accounting policies

The financial statements cover Community Child Care Association Inc. ("CCC" or "the association") as an individual entity. CCC is an incorporated association in Victoria under the *Associations Incorporation Reform Act 2012 (Victoria)*, a Registered Australian Body with the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001 (Cth)*, and a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

Basis of preparation

The board of CCC has determined that the association is not a reporting entity because there are no users who rely on general purpose financial statements for financial information about the entity. These financial statements are therefore special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to a 'tier three association' under the *Associations Incorporation Reform Act 2012* and a 'large charity' under the *Australian Charities and Not-for-profits Commission Act 2012*, and comply with the recognition and measurement requirements in Australian Accounting Standards. CCC is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, apart from cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated.

Accounting policies

The following material accounting policies have been applied in preparing the financial statements for the year ended 30 June 2023 and the comparative information for the year ended 30 June 2022, unless otherwise stated.

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the association, and where specific performance obligations exist, those obligations have been satisfied. Revenue is measured at the fair value of the consideration received or receivable. Specific revenues are recognised as follows:

Grants

Where grant contracts are enforceable and have sufficiently specific performance obligations, revenue is deferred and first recognised as a liability in the statement of financial position (income received in advance) until such obligations are met, then recognised as revenue in the statement of comprehensive income as performance occurs in accordance with grant requirements. Grants are otherwise recognised as revenue when control of the underlying assets received or receivable has been obtained and it is probable that the economic benefits will flow to the entity.

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the services to the customer, and where delivery is in progress, by reference to the performance obligations satisfied to that stage.

Sale of goods

Revenue from the sale of goods is recognised upon delivery of the goods to the customer.

Membership fees

Membership fees are received in advance throughout the year and first recognised as a liability in the statement of financial position (income received in advance), then allocated to revenue on a monthly pro rata basis, from the date of membership commencement or renewal.

Interest

Interest revenue is recognised on a proportional basis as it accrues, taking into account the effective yield on the financial asset.

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

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

(b) Cash and cash equivalents

Cash and cash equivalents comprises at-call and short term deposits held with financial institutions and cash on hand.

(c) Receivables

Receivables comprise trade and other short-term amounts owing to the association. Receivables are recognised and carried at the nominal amounts due for settlement less any impairment losses.

(d) Equipment

Each class of fixed asset is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of physical assets is reviewed annually to ensure it is not materially in excess of the recoverable amount from these assets.

Depreciation

Fixed assets are capitalised and depreciated on a straight-line basis over their useful lives commencing from the time assets are held ready for use. The capitalisation threshold for the recognition of individual fixed assets is \$3,000 (2021: \$3,000).

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Computer equipment	10-40%
Office furniture and equipment	5-33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(e) Leases (the entity as lessee)

At inception of a contract, the association assesses if the contract is, or contains, a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Impairment of assets

The association assesses the carrying amounts of its assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated at the higher of the asset's fair value less costs to sell and value in use, and compared against its carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss in the statement of profit or loss and other comprehensive income.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

(g) Payables

Payables represent trade and other short-term liabilities for goods and services provided to the association prior to the end of the financial year which are unpaid. Payables are stated at cost.

(h) Provisions

Provisions are made 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. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

(i) Income received in advance

Income received in advance represents liabilities for amounts received by the association in advance of the related delivery of goods or services, for which contractual obligations exist. Refer also *Note 1 (a): Revenue*.

(j) Employee benefits

The association recognises liabilities for employee benefits which are in exchange for services rendered by employees or for the termination of employment. These benefits include salaries and wages, accumulating annual and long-service leave, superannuation and redundancy entitlements.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, including related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits plus related on-costs.

Superannuation Guarantee Contributions are made by the entity to employee-nominated superannuation funds and are charged as expenses as they become payable.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

(l) Income Tax

CCC is endorsed as an income tax exempt charity under Division 50 (Subdivision 50-B) of the *Income Tax Assessment Act 1997*.

(m) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Accounting judgments and estimates

The preparation of the association's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Estimates and assumptions are based on historical experience, best available current information and reasonable expectations of future events. Actual results may differ from estimates.

Estimates and assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period or periods affected by the revision.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

(o) New and revised accounting standards

The association has applied Australian Accounting Standards that are mandatory for the current reporting period. Several amended standards became effective during the period, none of which had a material impact on the association's financial statements.

The association has assessed that there are no new or amended accounting standards that have been issued but are not yet effective which will have an expected material impact on the association's financial statements in the period of initial application.

Note 2. Grants and service agreements

	2023	2022
	\$	\$
Department of Education, Skills and Employment (Commonwealth) *	9,001,355	8,457,196
Department of Education and Training (Victoria)	89,837	66,401
Other	31,170	55,982
Total grants and service agreements	9,122,362	8,579,579

* Includes funds received for Victorian Inclusion Agency partners under the Inclusion Support Programme (ISP). Refer *Note 19: Significant changes in operations* for further information.

Note 3. Other income

	2023	2022
	\$	\$
Sundry Income	29,601	-
All other	25,803	6,126
Total other income	55,404	6,126

Note 4. Employee benefits expense

	2023	2022
	\$	\$
Salaries and wages	2,549,997	2,357,258
Change in accrued entitlements	75,081	41,219
Superannuation	273,820	251,662
Workcover	28,194	28,097
Total employee benefits expense	2,927,092	2,678,236

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Note 5. Service delivery costs

	2023	2022
	\$	\$
Contractors	383,083	392,344
Marketing and promotion	26,238	19,854
Printing and production	22,770	42,516
Resource materials	39,214	28,236
Travel expenses	119,710	50,765
Venue hire and catering	8,329	11,661
Other service delivery costs	-	5,664
Total service delivery costs	599,344	551,040

Note 6. Grants distributed

Amounts represent the share per year of Department of Education, Skills and Employment (Commonwealth) funding applicable to Victorian Inclusion Agency partners under the Inclusion Support Programme, as follows:

	2023	2022
	\$	\$
KU Children's Services	3,002,531	3,287,091
Yooralla	2,660,105	2,149,279
Total grants distributed	5,662,636	5,436,370

Note 7. Depreciation

	2023	2022
	\$	\$
Equipment	176	178
Right-of-use assets *	13,802	13,802
Total depreciation	13,978	13,980

* See also *Note 12: Leases*.

Note 8. Other expenses

	2023	2022
	\$	\$
Equipment-related expenses *	9,850	14,191
Staff professional development	135,082	110,748
All other	7,489	9,612
Total other expenses	152,421	134,551

* Includes mainly project-related minor equipment purchases and equipment repairs and maintenance costs.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Note 9. Cash and cash equivalents

	2023	2022
	\$	\$
Cash in bank accounts	1,774,045	1,478,442
Cash in short term deposits	4,200,000	385,153
Total cash	5,974,045	1,863,595

Note 10. Receivables

	2023	2022
	\$	\$
Trade debtors	38,267	1,880,832
Sundry debtors	49,641	53,742
Total receivables	87,908	1,934,574

Note 11. Equipment

	2023	2022
	\$	\$
Computer equipment:		
At cost	64,507	64,507
Accumulated depreciation	(64,507)	(64,507)
Total computer equipment	-	-
Office furniture and equipment:		
At cost	15,010	15,010
Accumulated depreciation	(14,186)	(14,010)
Total office furniture and equipment	824	1,000
Total equipment	824	1,000

Movements in carrying amounts

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

	Computer equipment	Office furn & equip	Total
	\$	\$	\$
Balance at 1 July 2021	2	1,176	1,178
Depreciation expense	(2)	(176)	(178)
Balance at 30 June 2022	-	1,000	1,000
Depreciation expense	-	(176)	(178)
Carrying amount at 30 June 2023	-	824	824

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Note 12. Leases

The lease for the business premises in regional Victoria ended in June 2023. The association has exercised the option to extend a further two-year tenancy lease, covering the period July 2023 to June 2025. The association has relocated its other business premises in the metropolitan to an office space with a two-year lease agreement commencing July 2023. Those leases have been measured in accordance with the association's accounting policy as outlined in *Note 1 (e): Leases*. The impact of the lease on the financial statements is as follows:

(a) Amounts recognised in the statement of financial position

	2023	2022
	\$	\$
Right-of-use assets:		
Leased building, recognised at commencement of lease	268,932	41,405
Accumulated depreciation	(41,405)	(27,733)
Net carrying amount	227,527	13,671
Lease liabilities:		
Current	226,898	14,203
Total lease liabilities	226,898	14,203

(b) Amounts recognised in the statement of profit or loss

	2023	2022
	\$	\$
Depreciation charge related to right-of-use assets	13,802	13,802
Interest expense on lease liabilities (under <i>finance costs</i>)	242	1,029
Total operating expenses	14,044	14,831

(c) Amounts recognised in the statement of cash flows

	2023	2022
	\$	\$
Cash outflow for principal portion of lease payments	14,832	13,662
Total cash outflows	14,832	13,662

Note 13. Payables

	2023	2022
	\$	\$
Trade creditors	13,415	1,090,339
Accrued expenses	733,169	224,358
Goods and Services Tax (GST) payable	234,613	66,204
Pay-As-You-Go (PAYG) withholding tax payable	64,276	34,952
Total payables	1,045,474	1,415,853

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Note 14. Provisions

	2023	2022
	\$	\$
Current		
Employee benefits		
-- Annual leave	221,731	220,965
-- Long-service leave	105,134	103,747
-- Other benefits	296,266	233,889
Total current	623,131	558,601
Non-current		
Employee benefits		
-- Long-service leave	38,828	28,277
Total non-current	38,828	28,277
Total provisions	661,959	586,878

Note 15. Income received in advance

	2023	2022
	\$	\$
Grants in advance	3,227,928	631,670
Memberships in advance	41,933	44,586
Training and other income in advance	35,562	68,652
Total income received in advance	3,305,423	744,908

Note 16. Reserves and retained surplus

Movements in equity

Movement in balances for reserves and retained surplus:

	Fixed & other asset reserve	Other reserves	Retained surplus	Total equity
	\$	\$	\$	\$
Balance at 1 July 2021	786	200,000	982,879	1,183,665
Increase (decrease) for year	-	-	(132,584)	(132,584)
Balance at 30 June 2022	786	200,000	850,295	1,051,081
Increase (decrease) for year	-	-	31,457	31,457
Balance at 30 June 2023	786	200,000	881,752	1,082,538

Nature and purpose of reserves

Fixed and other asset reserve

This reserve represents equity that is invested in fixed assets and other illiquid assets and therefore not available for other purposes. The level of the reserve equates to the net carrying amount of fixed and other assets held; movements in the reserve represent changes in the carrying amount of those assets.

Other reserves

Other reserves include funds set aside for other purposes including future equipment purchases / asset upgrades and funds held for contingency purposes. The amount at balance date comprised the contingency reserve.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Retained surplus

This represents the level of unrestricted funds available for general use.

The board of CCC reviews reserves on a regular basis and has discretion to alter the nature and purpose of reserves with reference to the entity's operating requirements.

Note 17. Cash flow information

	2023	2022
	\$	\$
Reconciliation of net result from statement of profit or loss and other comprehensive income to cash flow from operating activities:		
Net result	31,457	(132,584)
Non-cash flows in net result		
Depreciation	13,978	13,980
Changes in operating assets and liabilities		
(Increase) decrease in receivables	1,846,666	(1,869,947)
(Increase) decrease in prepayments	(31,905)	7,251
Increase (decrease) in payables	(370,379)	(1,324,165)
Increase in provisions	75,081	41,219
(Decrease) increase in income received in advance	2,560,515	9,971
Net cash provided by (used in) operating activities	4,125,413	(3,254,275)

Note 18. Auditors' remuneration

	2023	2022
	\$	\$
Remuneration of the auditors of the association, Curtain & Co., for:		
-- Audit of the annual financial report and funding acquittals	10,750	10,150
Total auditors' remuneration	10,750	10,150

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2023

Note 19. Significant changes in operations

The current reporting period represents the seventh year of service delivery under the major Inclusion Support Programme (ISP) contract with the Australian Government Department of Education, Skills and Employment. The contract commenced 1 July 2016 for an initial three-year period and has subsequently been extended to 30 June 2025

As of 30 June 2023 the organisation has a net asset position of \$1,082,538 (2022: \$1,051,081). In the event the ISP does not continue past June 2025, the organisation has made adequate provisions for employees who will be required to be made redundant. The organisation will continue with core business services to deliver consulting and training. The current level of net assets continues to afford the organisation an accountable financial buffer to continue to deliver large body of work.

Note 20. Events after the reporting period

It is noted there are nil matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CCC, the results of those operations, or the state of affairs of CCC in subsequent financial years.

The Directors have reviewed the performance and position of the organisation and consider that the going concern basis is appropriate for the preparation of the financial report due to the following factors:

- 1) The organisation has received approved tenders from local Governments and Services to deliver the Workforce Planning project.
- 2) The organisation is currently one of the representatives in the Multi-Employer Bargaining project which will attract new members in the future.
- 3) The Management is working on the renewal of the ISP which will be opened for expression of interest in February 2024.

The Directors are of the opinion that the organisation will continue to operate on a going concern basis.

Community Child Care Association Inc.

**Declaration by members of the board
For the year ended 30 June 2023**

In accordance with a resolution of the members of the board of Community Child Care Association Inc. ("CCC"), the board declares that:


In the opinion of the board:

1. The financial statements and notes, as set out on pages 1 to 15, satisfy the requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. complying with the Australian Accounting Standards applicable to the entity and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. giving a true and fair view of the financial position of CCC as at 30 June 2023 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that CCC will be able to pay all of its debts as and when they become due and payable.

On behalf of the board of CCC,

Signed: 

Linda Davison (Chair)

Signed: 

Brian Newman (Treasurer)

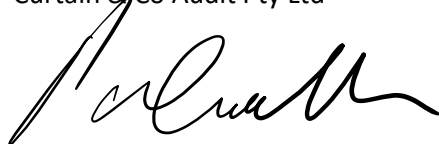
Dated this 20th day of October 2023

**Auditor's Independence Declaration
To the Directors of Community Child Care Association Incorporated**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Community Child Care Association Incorporation for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i. 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
- ii. No contraventions of any applicable code of professional conduct in relation to the audit

Curtain & Co Audit Pty Ltd



Peter Gillis
Partner

Address: Level 3, 369 Royal Parade PARKVILLE VIC 3052

Dated: 20 October 2023

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE COMMUNITY CHILD CARE ASSOCIATION INCORPORATED**

Opinion

I have audited the financial report of Community Child Care Association Incorporated (the Association), which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by members of the Board.

In my opinion, the accompanying financial report of the Association is in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance and cash flows for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

Without further modifying my opinion, I 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 executive Board's reporting responsibilities under the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Information Other than the Financial Report and Auditor's Report Thereon

The Board are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2023 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012* and 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 is free from material misstatement, whether due to fraud or error.

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

The Board are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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.

A further description of my responsibilities for the audit of the financial report is included in Appendix A of this auditor's report. This description, which is located directly after the audit report, forms part of my auditor's report.

Curtain & Co Audit Pty Ltd



Peter Gillis
Partner

Address: Level 3, 369 Royal Parade PARKVILLE VIC 3052

Dated: 20 October 2023

Appendix A: Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

I 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 I identify during my audit.