

**LANDCARE NSW INCORPORATED**  
**ABN 24 958 819 359**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**



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**For Professional Advice Regarding**  
Business and Taxation Management  
Self Managed Superannuation Funds  
Audit & Advisory Services  
Succession Planning  
Financial Planning

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**Landcare NSW Incorporated**  
(an incorporated association)

**ABN: 24 958 819 359**

**Financial report**

For the year ended 30 June 2019

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**Landcare NSW Incorporated**  
(an incorporated association)

**Committees' report**

Your committee members submit the financial report for the year ended 30 June 2019.

**Committee**

The names of committee members throughout the year ended 30 June 2019 and at the date of signing were:

Robert Dulhunty	Chairperson (resigned November 2018)
Stephanie Cameron	Chairperson from November 2018
Keith Hyde	Deputy Chairperson
Hunter White	Treasurer
Stuart Mosely	Secretary
Chris Post	Committee Member appointed November 2018
Beverley Debrincat	Committee Member
Margaret Applebee	Committee Member appointed 14 November 2018
Leslie Pearson	Committee Member appointed 14 November 2018
Robert Jarman	Committee Member resigned 14 November 2018
Martin Royds	Committee Member resigned 14 November 2018

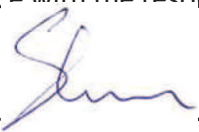
**Principal activities**

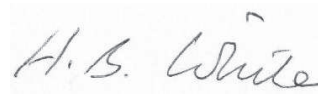
The principal activities of the association during the financial year were to represent, promote and advocate on behalf of community-based landcare and community driven sustainable resource management in New South Wales.

**Results of operations**

The net operating surplus of the association for the year ended 30 June 2019 was \$243,492 (2018 comparative adjusted surplus: \$142,671). During the 2017/2018 financial year the association invested \$40,000 in a Social Enterprise Start up, Citizen Blue Limited, through the Total Environment Centre Inc. The Committee have determined during the current financial year that the \$40,000 carrying value for this investment was not supportable at 30 June 2018 and have agreed to write it back into the 2018 year as a prior year error.

In accordance with the resolution of committee by:

  
.....  
Chairperson – Stephanie Cameron

  
.....  
Treasurer – Hunter White

Dated: 12 November 2019



## **Auditor's declaration of independence**

### **To the Committee of Landcare NSW Incorporated**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; or
- (ii) any applicable code of professional conduct in relation to the audit.

Roberts & Morrow  
Chartered Accountants

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Michelle A Paul  
Partner  
Armidale, NSW  
Auditor Registration Number: 164853

Dated: 12 November 2019

**Landcare NSW Incorporated**  
(an incorporated association)

**Financial report for the year ended 30 June 2019**

**Statement of profit or loss and other comprehensive income**

	Note	2019 \$	2018 \$
<b>Income</b>			
<b>Organisational income</b>			
Grants received		95,000	95,000
Fee for service income		261,000	120,000
Activity generated income		11,928	30,090
Interest		31,768	13,966
Other income		10,897	12,624
<b>Total organisational income</b>		<b>410,593</b>	<b>271,680</b>
<b>Project income</b>			
Government Grants received	2	2,004,651	1,510,995
Project Grant income	2	-	6,528
<b>Total project income</b>	<b>2</b>	<b>2,004,651</b>	<b>1,517,523</b>
<b>Total income</b>		<b>2,415,244</b>	<b>1,789,203</b>
<b>Expenditure</b>			
<b>Organisational expenditure</b>			
Activity level expenditure		112,963	66,843
Administration		102,741	10,741
Employee costs		76,584	86,176
Other expenditure		3,357	1,248
Impairment of Asset		20,000	-
<b>Total organisational expenditure</b>		<b>315,645</b>	<b>165,008</b>
<b>Project expenditure</b>			
Project expenditure		676,954	316,120
Project administration		80,405	152,350
Employee costs		1,098,748	1,013,054
<b>Total project expenditure</b>		<b>1,856,107</b>	<b>1,481,524</b>
<b>Total expenditure</b>		<b>2,171,752</b>	<b>1,646,532</b>
<b>Surplus/(deficit) for the year</b>		<b>243,492</b>	<b>142,671</b>

<sup>1</sup> The above surplus was prior to expenditure of \$36,000 on software upgrades/enhancements. As at 30 June 2018 the software upgrade was capitalised to the balance sheet as an Intangible asset- in progress (ready for use in July 2018).

The statement of comprehensive income is to be read in conjunction with the attached notes.

**Landcare NSW Incorporated**  
(an incorporated association)

**Financial report for the year ended 30 June 2019**

**Statement of financial position**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	3	1,469,222	1,768,973
Trade and other receivables		38,500	68,629
Investments (held-to-maturity)		-	1,250,000
<b>Total current assets</b>		<b>1,507,722</b>	<b>3,087,602</b>
<b>Non-current assets</b>			
Intangible asset - in progress		40,000	60,000
<b>Total non-current assets</b>		<b>40,000</b>	<b>60,000</b>
<b>Total assets</b>		<b>1,547,722</b>	<b>3,147,602</b>
<b>Current liabilities</b>			
Trade and other payables	4	107,212	251,151
Unspent grants	2	841,295	884,947
Grants received in advance	2	21,157	1,631,000
Employee leave provisions	5	94,732	139,699
<b>Total current liabilities</b>		<b>1,064,396</b>	<b>2,906,797</b>
<b>Non-current liabilities</b>			
Employee leave provision	5	19,450	20,421
<b>Total non-current liabilities</b>		<b>19,450</b>	<b>20,421</b>
<b>Total liabilities</b>		<b>1,083,846</b>	<b>2,927,218</b>
<b>Net assets</b>		<b>463,876</b>	<b>220,384</b>
<b>Retained equity</b>		<b>463,876</b>	<b>220,384</b>

The statement of financial position is to be read in conjunction with the attached notes.

**Landcare NSW Incorporated**  
(an incorporated association)

**Financial report for the year ended 30 June 2019**

**Statement of changes in equity**

	Retained earnings \$	General reserves \$	Total \$
<b>Balance at 1 July 2017</b>	<u>77,713</u>	<u>-</u>	<u>77,713</u>
Surplus / (deficit) attributed for the year	182,671	-	182,671
Prior year error – Refer Note2 ( I)	(40,000)	-	(40,000)
<b>Balance at 30 June 2018</b>	<u>220,384</u>	<u>-</u>	<u>220,384</u>
Surplus / (deficit) attributed for the year	243,492	-	243,492
<b>Balance at 30 June 2019</b>	<u>463,876</u>	<u>-</u>	<u>463,876</u>

The statement of changes in equity is to be read in conjunction with the attached notes.

**Landcare NSW Incorporated**  
(an incorporated association)

**Financial report for the year ended 30 June 2019**

**Statement of cash flows**

	Note	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
Government funding		492,832	2,603,570
Other income		376,408	115,840
Interest received		31,768	13,966
Payment to suppliers and employees		(2,450,759)	(1,794,352)
<b>Net cash provided by operating activities</b>	6	<b>(1,549,751)</b>	<b>939,024</b>
<b>Cash flows from investing activities</b>			
Payments for Intangible assets		-	(36,000)
Payments for Investments held to maturity		1,250,000	(1,250,000)
<b>Net Cash flows from investing activities</b>		<b>1,250,000</b>	<b>(1,286,000)</b>
<b>Cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>(299,751)</b>	<b>(346,976)</b>
Cash and cash equivalents at the beginning of the financial year		1,768,973	2,115,949
<b>Cash and cash equivalents at the end of the financial year</b>	3	<b>1,469,222</b>	<b>1,768,973</b>

The statement of cash flows is to be read in conjunction with the attached notes.



## **Landcare NSW Incorporated**

(an incorporated association)

### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **1. Association information**

The financial report covers Landcare NSW Incorporated (the “association”) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the committee on 12 November 2019.

Landcare NSW Incorporated is a not-for-profit entity registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC). The entity is also a Tier 1 incorporated association as defined under s.42 of the *Associations Incorporation Act (NSW) 2009*. The nature of the operations and principal activities of the association are described in the Committees’ Report.

##### **2. Statement of significant accounting policies and changes of financial year**

###### **(a) Basis of preparation**

Landcare NSW Incorporated applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accrual basis and is based on historical costs. The amounts presented in the financial statements have been presented in Australian dollars and rounded to the nearest dollar.

###### **(b) Revenue recognition**

Revenue is recognised when the association is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

## **Landcare NSW Incorporated**

(an incorporated association)

### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **Grants**

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the association obtains control of the funds.

##### **Sponsorship**

Untied donations are recognised upon receipt.

##### **Interest income**

Interest is recognised as it is received.

##### **Activity generated income**

Activity generated income is recognised on an accruals basis.

##### **(c) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

##### **Project expenditure**

Project expenditure is accounted for on an accruals basis.

Milestone payments to Project Partners are made in accordance with project agreements. Payments are made upon successful completion of milestones and acceptance of satisfactory milestone reporting.

##### **Project management expenditure**

Project management expenditure represents contractual payments for the management of individual projects.

##### **(d) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

##### **(e) Trade and other receivables**

Trade receivables, which comprise amounts due from the provision of services, are recognised and carried at original invoice amount less any allowance for any uncollectable amounts.

An allowance for doubtful debts is made when there is objective evidence that the association will not be able to collect the debts. Bad debts are written off when identified.

## **Landcare NSW Incorporated**

(an incorporated association)

### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **(f) Trade and other payables**

Trade creditors and other payables represent liabilities for goods and services provided to the association prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The notional amount of the creditors and payables is deemed to reflect fair value.

##### **(g) Unspent grant funds**

Any project funding not spent during the year and which is required by individual project agreements to be spent in the proceeding financial year is recorded as a liability at balance date.

##### **(h) Employee benefits**

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in trade and other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

Provision is made for the association's obligation for long service leave benefits and annual leave benefits not expected to be settled within 12 months. These benefits are measured at the present value of expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the measurement of obligations, the net change in the obligation is recognised in the statement of profit or loss and other comprehensive income under employee benefits expense.

The association's obligation for long term employee benefits are presented as non-current liabilities in the statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after end of the reporting period, in which case the obligations are presented as current liabilities.

##### **(i) Intangible assets – other than goodwill**

These assets are website and software development costs to establish a portal to act as a data collection and communication hub for members. The committee have determined that the website and software development is now on hold for 2019 with uncertainty around when these developments will provide a future benefit. The Committee have agreed to assess the carrying value of this investment on an annual

## **Landcare NSW Incorporated**

(an incorporated association)

basis. The asset has been impaired by \$20,000 in the 2018/2019 year in order to more correctly reflect its future benefit to the association.

### **(j) Income tax**

The association is exempt from income tax and accordingly no provision has been made.

### **(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 Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised 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. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

### **(l) Prior year error**

During the 2017/2018 financial year the association invested \$40,000 in Social Enterprise Start up, Citizen Blue Limited, through the Total Environment Centre Inc. The Committee have determined during the current financial year that the \$40,000 carrying value for this investment was not supportable at 30 June 2018 and have agreed to write it back into the 2018 year as a prior year error.

**Landcare NSW Incorporated**  
(an incorporated association)

**Financial report for the year ended 30 June 2019**  
**Notes to and forming part of the financial statements**

**2. Reconciliation of grant income**

	C/Fwd. from 30/06/18	Grant Received	Less Unspent / In Advance at 30/06/19	Income Recognised
<b>Government Grants</b>				
NSW Local Lands Service	2,019,660	330,000	643,635	1,706,026
NSW DPI	495,000	-	196,373	298,625
Total Govt. Grants	<u>2,514,660</u>	<u>330,000</u>	<u>840,008</u>	<u>2,004,651</u>
Other project grant	1,287	-	1,287	-
Income	<u>2,515,947</u>	<u>330,000</u>	<u>841,295</u>	<u>2,004,651</u>

**3. Cash and cash equivalents**

	2019 \$	2018 \$
Cash at bank	1,455,271	1,748,831
Debit Card Balances	13,951	20,142
	<u>1,469,222</u>	<u>1,768,973</u>

**4. Trade and other payables**

	2019 \$	2018 \$
Trade payables	105,988	36,182
GST payable	(20,690)	194,611
PAYG payable	21,914	20,358
	<u>107,212</u>	<u>251,151</u>

**Landcare NSW Incorporated**  
(an incorporated association)

**Financial report for the year ended 30 June 2019**  
**Notes to and forming part of the financial statements**

**5. Employee Provisions**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Provision for annual leave	23,205	42,803
Provision for long service leave	23,366	33,624
Provision for personal leave	29,338	26,715
Provision for time in lieu	9,824	22,516
Oncost	8,999	14,041
	<b>94,732</b>	<b>139,699</b>
<b>Non-current</b>		
Provision for long service leave	19,450	20,421
	<b>19,450</b>	<b>20,421</b>
	<b>114,182</b>	<b>160,120</b>

It should be noted that in the past four years Landcare NSW Incorporated has held in trust long service leave on behalf of employees who have transferred in from other Landcare group entities. These balances accrue no further entitlement to long service leave, and total \$23,366 at 30 June 2019 (FY18: \$33,624).

**6. Reconciliation of cash flows from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) from operating activities	243,492	142,671
Intangible impairment	20,000	-
<b>Increase / (decrease) in liabilities</b>		
Trade creditors	(143,939)	41,015
Unspent grants	(43,652)	216,917
Income in advance	(1,609,843)	531,000
Employee provisions	(45,938)	68,901
<b>Decrease / (increase) in assets</b>		
Trade debtors	30,129	(61,480)
<b>Cash flows from operations</b>	<b>(1,549,751)</b>	<b>939,024</b>

## Landcare NSW Incorporated

(an incorporated association)

### Financial report for the year ended 30 June 2019

### Notes to and forming part of the financial statements

#### 7. Capital commitments

To the best of the committee's knowledge there are no capital commitments as at 30 June 2019.

#### 8. Lease commitments

Future minimum lease payments and the present value of the minimum lease payments under non-cancellable leases are:

Lease	2019 \$	2018 \$
Within the next 12 months	2,340	28,164
<b>Total lease liabilities</b>	<b>2,340</b>	<b>28,164</b>

The lease liabilities are for operating leases only and relate to the lease of the following premises:

- Suite 109, 3 Gladstone Street, Newtown (from 21 April 2019 this lease converted to a month by month basis); and
- Sublet space in Office of Environment & Heritage, Glen Innes

#### 9. Contingent assets and liabilities

To the best of the committees knowledge and belief there are no contingent assets or liabilities at balance date.

#### 10. Events after the reporting period

The have been no significant events subsequent to balance date.

#### 11. Related parties and related party transactions

##### Committee members

Committee members in office during the year are disclosed in the Committees' Report that accompanies these financial statements. No committee members were remunerated for their services to the association during the year, other than for the reimbursement of travel and administration on normal arm's length terms and conditions.

Some committee members are paid Honorariums for presentations at workshops run by the organisation throughout the prior year. Total related party payments to committee members for the year were \$Nil (FY18: \$3,500).

## Landcare NSW Incorporated

(an incorporated association)

### Financial report for the year ended 30 June 2019

### Notes to and forming part of the financial statements

#### Related party contributions and payments

Landcare NSW funds Landcare groups operating in NSW on a fee for service basis to hold workshops for funded projects, provide project assistance and undertake contract work for fee for service income. These transactions are on normal arm's length terms and conditions.

<b>Payments received from related parties</b>	<b>Amount</b>
National Landcare Network	96,098
New England North West Landcare Chairs Inc	573
Southern New England Landcare Ltd	509
TRLA	1,802
<b>Total</b>	<b>98,982</b>

<b>Payments to related parties</b>	<b>Amount</b>
ACT Cabs, Canberra	29
Border Ranges Richmond Valley Landcare Network Inc	7,573
Brunswick Valley Landcare Inc	7,000
Central Tablelands Landcare Inc	691
Central West Lachlan Landcare	498
CitizenBlue Ltd	4,166
Clarence Landcare Incorporated	1,743
Coffs Harbour Regional Landcare Inc	4,226
Condobolin & Districts Landcare	5,000
Corowa District Landcare Inc	11,250
Cumberland Land Conservancy Inc	4,000
Dunedoo Coolah Landcare	158
Eurobodalla Landcare Network Incorporated	4,804
Glenrac Inc	30,028
Granite Borders Landcare Committee Inc	3,597
Greater Sydney Landcare Network Inc	19,620
Gunning District Landcare	2,000
Gwymac Inc.	10,950
Holbrook Landcare Network	21,636
Karuah & Great Lakes Landcare Inc.	598
Lachlan Landcare	8,074
Lake Cathie Landcare Group Inc	190
Landcare Australia Ltd	882
Little River Landcare Group	501
Macleay Landcare	17,070
Manning Landcare Inc	15,000
Mid Lachlan Landcare	291
Mid Macquarie Landcare	5,531



## Landcare NSW Incorporated

(an incorporated association)

### Financial report for the year ended 30 June 2019

### Notes to and forming part of the financial statements

<b>Payments to related parties</b>	<b>Amount</b>
Mudgee Merriwa District Wild Dog Association Inc.	1,000
Murrumbidgee Landcare Incorporated	34,913
Nambucca Valley Landcare	3,750
National Landcare Network	1,818
New England North West Landcare Chairs Inc	9,417
North Coast Regional Landcare Network	454
North West Plains Sustainability Group Inc.	2,749
Northern Slopes Landcare Association Inc.	23,697
Richmond Landcare Incorporated	215
Royalla Landcare Group	4,000
Shoalhaven Landcare Association Inc.	12,882
South East Landcare Inc.	15,000
Southern New England Landcare Ltd	11,007
Tamworth Regional Landcare Association	21,576
Tweed Landcare Inc	4,352
Upper Shoalhaven Landcare Council	5,302
Watershed Landcare Incorporated	29,743
Western Landcare NSW Inc	34,378
Western Murray Land Improvement Group Inc	11,100
Yass Area Network of Landcare Groups Inc	5,000
<b>Total</b>	<b><u>419,462</u></b>

#### Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any committee member of the entity is considered to be key management personnel. The association had four key management personnel during the year. The totals of remuneration paid to key management personnel of the association during the year was \$468,669.

**Landcare NSW Incorporated**  
(an incorporated association)

**Committees' declaration**

In accordance with a resolution of the Committee of Landcare NSW Incorporated, the committee declare that in their opinion:

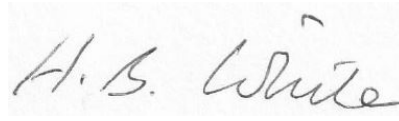
1. The financial statements and notes are in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Regulations 2014*, and:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
- (b) give a true and fair view of the financial position of the association as at 30 June 2019 and its performance and cash flows for the year ending on that date.

2. In the committee's opinion there are reasonable grounds to believe that Landcare NSW Incorporated will be able to pay all of its debts as and when they become due and payable.



.....  
Chairperson



.....  
Treasurer

Dated: 12 November 2019



## **Independent auditor's report**

To the members of Landcare NSW Incorporated.

### **Opinion**

We have audited the accompanying financial report, of Landcare NSW Incorporated (the association), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. Further, the financial report has been prepared in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012 and the requirements set out in the Australian Charities and Not-For-Profits Commission Regulations 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) and the auditor independence requirements of the Australian Charities and Not-For-Profits Commission Act 2012 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.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012 and the requirements set out in the Australian Charities and Not-For-Profits Commission Regulations 2013, 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.

Those charged with governance are responsible for overseeing the association's financial reporting process.

### **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.

### **Our responsibilities**

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.

- Evaluates the overall presentation, structure and content of the financial report, including the disclosures made by those charged with governance.

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.

Roberts & Morrow  
Chartered Accountants

A handwritten signature in black ink, appearing to read "Michelle A Paull", enclosed within a hand-drawn oval.

Michelle A Paull  
137 Beardy Street  
Armidale  
Auditor Registration Number: 164853

Dated: 12 November 2019