

Cystic Fibrosis Australia

ABN: 73 104 285 136

Financial Statements

For the year ended 31 December 2021



Rose Cottage
2 Richardson Place
North Ryde NSW 2113
PO Box 268
North Ryde NSW 1670

Cystic Fibrosis Australia

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For the year ended 31 December 2021

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Cystic Fibrosis Australia

Directors' report

31 December 2021

The directors of Cystic Fibrosis Australia (the 'company') present this report for the year ended 31 December 2021.

Directors

The names of each person who has been a director at any time during, or since the end of, the year are:

Name:	Position:	Appointed	Qualifications:
Melissa Mail	President	15 May 2021	Lawyer
Feliciano Sanchez	Vice President	19 April 2009	Company General Manager
Mitchell Messer		24 April 2003	Company Director & Consultant
Laurence Daly	Treasurer	24 July 2013	Accountant
Peter Wark		16 October 2016	Conjoint Professor
Sean Collins		13 February 2016	Management & IT Consultant
Sarah Kelly		11 February 2017	Lawyer and principal policy officer
Caz (Carolyn) Boyd		1 May 2018	PA for an Associate Clinical Professor of Endocrinology
Patrick O'Connor		Resigned 1 November 2021	Environmental Scientist
Margaret Walker		Resigned 29 October 2021	Company Director

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

Nettie Burke held the position of Company Secretary from 2 May 2015 and resigned on 5 November 2021. Joanne Armstrong currently holds the position of Company Secretary.

Directors Report - continued

Going Concern

The financial report has been prepared on the basis of the company continuing as a going concern. The directors are of the view that the going concern basis is appropriate given their reasonable expectation that the company has the support of its corporate partners, sponsors, creditors and the wider cystic fibrosis community to continue to trade in its current form into the foreseeable future. Like many Charities, the 2021 year has seen the organisation take measures to ensure that it is able to quickly adapt the level of operating activities to respond to any changes in revenue now and into the future.

Cystic Fibrosis Australia

Directors' report

31 December 2021

Principal activities

The principal activities of the company during the financial year were as a charitable organisation to advance and improve the treatment of cystic fibrosis in Australia and to promote research in cystic fibrosis through management of the Australian Cystic Fibrosis Research Trust.

No significant change in the nature of these activities occurred during the year.

The current year operating result of the company was a deficit of \$1,816 (2020: Profit of \$22,447).

Short-term and long-term objectives

The company's short-term objectives are to:

- Promote the awareness and research of cystic fibrosis;
- Provide support and services including advocacy, funding, clinical improvement programs and research to people with cystic fibrosis and their families and carers.

The company's long-term objectives are to:

- Advance and improve the treatment of cystic fibrosis in Australia through continuous research;
- Establish and maintain relationships with key stakeholders including the government, the broad cystic fibrosis community, overseas cystic fibrosis entities and the media while continuously providing support and services to people with cystic fibrosis.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- The company strives to work collaboratively with cystic fibrosis organisations nationwide to increase awareness, provide essential clinical improvement services, support research and advocacy initiatives.
- The company establishes and fosters working partnerships with a range of community stakeholders by actively encouraging and facilitating stakeholder involvement in the entity's activities.

Directors Report - continued

Key performance measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Significant changes in state of affairs

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

Directors' meetings

During the year, 8 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Patrick O'Connor	7	7
Feliciano Sanchez	8	6
Mitchell Messer	8	8
Laurence Daly	8	8
Sean Collins	8	8
Sarah Kelly	8	8
Peter Wark	8	2
Carolyn Boyd	8	7
Margaret Walker	7	2
Melissa Mail	5	5
Nettie Burke (Secretary)	7	7

Members' guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. At 31 December 2021 the number of members was 8 (2020: 10).

Directors Report - continued

Auditor's independence

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2021 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the directors:

DocuSigned by:

324ED8DAB0084C5...
Mitchell Messer
Acting President

DocuSigned by:

CD717C8128564C9...
Feliciano Sanchez
Vice President

Dated 15 March 2022



Auditor's independence declaration to the responsible persons of Cystic Fibrosis Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there have been no contraventions of:

1. the auditor independence requirements of Section 60.40 of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit;
2. the *Charitable Fundraising Act 1991 (NSW)*; and
3. any applicable code of professional conduct in relation to the audit.

Roberts & Morrow Audit Services Pty Ltd
Authorised Audit Company Number 517597

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

Michelle Paull
Director

Armidale, NSW, 15 March 2022

Cystic Fibrosis Australia

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	5	911,862	856,163
Employee benefit expenses		(504,976)	(433,443)
Data Registry		(180,712)	(227,500)
Project Research expenses		(118,517)	(63,833)
Board & Other Meeting expenses		(5,490)	(5,555)
Cystic Fibrosis Conference expenses		(27,761)	(5,007)
Fundraising expenses		(1,920)	(19,068)
Other administrative expenses		(74,302)	(79,310)
Profit (loss) for the year		(1,816)	22,447
Other comprehensive income		-	-
Total comprehensive income for the year		(1,816)	22,447

The accompanying notes form part of these financial statements.

Cystic Fibrosis Australia

Statement of financial position

As at 31 December 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and Cash Equivalents	6	81,534	93,366
Trade and Other Receivables	7	161,602	103,867
Total current assets		243,136	197,233
Total assets		243,136	197,233
Liabilities			
Current liabilities			
Trade and Other Payables	8	129,951	49,298
Employee Benefits	9	42,802	71,818
Other Liabilities		30,000	24,000
Total current liabilities		202,753	145,116
Non-current liabilities			
Employee benefits	9	-	9,918
Total liabilities		202,753	155,034
Net assets		40,383	42,199
Equity			
Retained Earnings			
Opening balance		42,199	19,752
Profit/(loss) for the year		(1,816)	22,447
Total Retained Earnings		40,383	42,199
Total equity		40,383	42,199

The accompanying notes form part of these financial statements.

Cystic Fibrosis Australia

Statement of changes in equity

For the year ended 31 December 2021

2020	Retained earnings \$	Total equity \$
Opening balance	19,752	19,752
Profit/(loss) for the year	22,447	22,447
Closing balance	42,199	42,199

2021	Retained earnings \$	Total equity \$
Opening balance	42,199	42,199
Profit/(loss) for the year	(1,816)	(1,816)
Closing balance	40,383	40,383

The accompanying notes form part of these financial statements.

Cystic Fibrosis Australia

Statement of cash flows

For the year ended 31 December 2021

	2021	2020
	\$	\$
Cash flows from operating activities:		
Receipts from customers	912,723	979,454
Payments to suppliers and employees	(924,583)	(974,810)
Interest received	28	96
Net cash flows from/(used in) operating activities	(11,832)	4,740
Net increase/(decrease) in cash and cash equivalents	(11,832)	4,740
Cash and cash equivalents at beginning of year	93,366	88,626
Cash and cash equivalents at end of financial year	81,534	93,366

The accompanying notes form part of these financial statements.

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

1. Introduction

The financial report covers Cystic Fibrosis Australia as an individual entity. Cystic Fibrosis Australia is a not-for-profit entity registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC), incorporated and domiciled in Australia. The entity is also a Company limited by guarantee under the *Corporations Act 2001*.

The functional and presentation currency of Cystic Fibrosis Australia is Australian dollars.

The financial report was authorised for issue by those charged with governance on 15 March 2022.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The Directors have prepared the financial statements on the basis that the company is a non-reporting entity as there are no users dependent upon a general purpose financial report.

The financial statements are special purpose financial statements that have been prepared in accordance with requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*.

The financial report, except for the cash flow information, has been prepared on an accrual basis and is based on historical costs.

Statement of compliance

The financial statements have been prepared in accordance with the mandatory Australia Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-Profits Commission Act 2012, the basis accounting specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of Accounting Standards;

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031: Materiality

AASB 1054: Australian Additional Disclosures

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

3. Summary of significant accounting policies

a. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the Statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

b. Income tax

As a charity registered with the Australian Charities and Not-for-Profits Commission and endorsed by the ATO, the company is exempt from income tax. Accordingly, no provision for income tax has been made.

4. Critical accounting estimates and judgements

Management and the directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

a. Key estimates - revenue recognition

i. Key judgements-revenue recognition

Revenue received is recognised in the statement of profit or loss and other comprehensive income when the company obtains control of the grant, and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Grants received by the company have been accounted for under AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

b. Key estimates - provision for impairment of receivables

The value of the provision for impairment of receivables and bad debts is estimated by considering the ageing of receivables, communication with the debtors and prior history.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

State & Territory Levies

Member States and Territories are charged an annual levy on a per capita basis based upon each State and Territory's registrations on the data registry. These levies are recorded as revenue on an accruals basis.

Revenue from Corporate Partners and Sponsors

The policy of the company is to record Pledges from Corporate Partners and Sponsors as revenue once a mutually binding agreement has been reached.

Donations and Bequests

Revenue from receipt of donations and bequests is recognised as revenue when received.

Fundraising Activities

Revenue from the fundraising activities is recognised as revenue when received.

Interest

Interest revenue is recognised as it accrues.

iii. Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to suppliers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the suppliers.

When a performance obligation is satisfied by transferring a promised good or service to the

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

supplier before the supplier pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a supplier prior to the entity transferring a good or service to the supplier, the Company presents the contract as a contract liability.

The Company recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Company if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

b. Detailed Revenue Breakdown

	2021	2020
	\$	\$
State and Territory	121,680	120,470
Donations	185,873	97,621
Corporate Partners	52,914	212,316
Grants	178,000	110,930
Sponsorship- data registry	27,000	61,820
Sponsorship - other	83,215	74,681
Conference revenue	262,299	11,623
Other revenue	853	-
Government Incentives- Jobkeeper and Cashflow Boost	-	166,606
Interest Income	28	96
Total	911,862	856,163

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

Conference expenses detailed on the Statement of profit or loss and other comprehensive income is exclusive of employee benefit expenses and general overheads that were employed in the planning and co-ordination of the conferences.

6. Cash and cash equivalents

a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

b. Cash and cash equivalent details

	2021	2020
	\$	\$
Cash at bank	52,881	64,727
Short-term deposits	28,653	28,639
	81,534	93,366

7. Trade and other receivables

Current	2021	2020
	\$	\$
Trade receivables		
Trade Debtors	158,602	101,867
Deposits Paid	3,000	2,000
	161,602	103,867

8. Trade and other payables

Current	2021	2020
	\$	\$
Trade payables	100,933	43,679
GST payable	29,018	5,619
	129,951	49,298

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

9. Employee benefits

a. Accounting policy

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

b. Employee benefit details

Current	2021	2020
	\$	\$
Long service leave	26,723	24,117
Annual leave	16,079	47,701
	42,802	71,818
Non-current	2021	2020
	\$	\$
Long service leave	-	9,918

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

10. Financial risk management

Financial assets	2021	2020
	\$	\$
Held at amortised cost		
Cash and cash equivalents	81,534	93,366
Trade and other receivables	161,602	103,867
	243,136	197,233

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The material risk the Company is exposed to through its financial instruments is credit risk.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date for recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the financial statements. There are no material amounts of collateral held as security at 31 December 2021. Credit risk is managed on a company basis and reviewed regularly by the board. It arises from exposure to customers as well as through deposits and financial institutions. The company does not have any material credit exposure to any single receivable or group of receivables under financial instruments entered into by the company.

11. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (2020: None).

12. Related parties

a. Transactions with related parties

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

b. Key Management Personnel

Two Key Management employees exist but non-compliance with AASB 124 has been chosen as not to breach confidentiality of either the Company or the employees concerned.

Notes to the financial statements

Cystic Fibrosis Australia

For the year ended 31 December 2021

13. Covid 19 Pandemic

The uncertainty caused by the Covid-19 pandemic has had a significant impact on the revenue streams of the Company. During the course of the pandemic there has been a decline in the revenue from fundraising, this has been offset by rent relief negotiated on the main office and decreases in expenses associated with fundraising and other projects.

14. Going concern

The financial report has been prepared on the basis of the company continuing as a going concern. The directors are of the view that the going concern basis is appropriate given their reasonable expectation that the company has the support of its corporate partners, sponsors, creditors and the wider cystic fibrosis community to continue to trade in its current form into the foreseeable future. Like many Charities, the 2021 year has seen the organisation take measures to ensure that it is able to quickly adapt the level of operating activities to respond to any changes in revenue now and into the future.

15. Events occurring after the reporting date

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

16. Statutory information

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

Cystic Fibrosis Australia
Rose Cottage
2 Richardson Place
NORTH RYDE NSW Australia
2113

Directors' Declaration

Cystic Fibrosis Australia

For the year ended 31 December 2021

In accordance with a resolution of the directors of Cystic Fibrosis Australia, the directors declare that in their opinion:

1. The financial statements and noted:
 - a) comply with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*;
 - b) comply with the basis of preparation as indicated in Note 2; and
 - c) give a true and fair view of the financial position of the company as at 31 December 2021 and its performance and cash flows for the year ending on that date.
2. There are reasonable grounds to believe that the company will be able to pay all of its debts, when they become due and payable.
3. In arriving at their decision in paragraph 2, the directors have taken into account the information containing in Note 14 Going concern.

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

DocuSigned by:

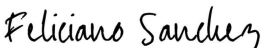


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Mitchell Messer

Acting President

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Feliciano Sanchez

Vice President

Date: 15 March 2022

Chairman's Declaration

Cystic Fibrosis Australia

For the year ended 31 December 2021

Under the *Charitable Fundraising Act (NSW) 1991*

I, Mitchell Messer, Chairperson of the Board of the Cystic Fibrosis Australia, declare that in my opinion:

- a) the financial statements give a true and fair view of all income and expenditure of Cystic Fibrosis Australia;
- b) the statement of financial position gives a true and fair view of the state of affairs in respect of fundraising appeals;
- c) the provisions of the Charitable Fundraising Act (NSW) 1991 the Regulations under the Act and the conditions attached to the authority have been complied with; and
- d) the internal controls exercised by Cystic Fibrosis Australia are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.

Signed,

DocuSigned by:

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Mitchell Messer
Acting President

North Ryde, NSW

Date:15 March 2022



Independent auditor's report

To the members of Cystic Fibrosis Australia.

Opinion

We have audited the accompanying special purpose financial report, of Cystic Fibrosis Australia, which comprises the statement of financial position as at 31 December 2021, 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 charity as at 31 December 2021 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 Act 2013, Charitable Fundraising Act (NSW) 1991 and Charitable Fundraising Regulations (NSW) 2015.

Opinion Pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

1. the financial report gives a true and fair view of the company's financial result of fundraising appeal activities for the financial year ended 31 December 2021;
2. the financial report has been properly drawn up, and the associated records have been properly kept for the period from 01 January 2021 to 31 December 2021, in accordance with the Charitable Fundraising Act (NSW) 1991 and regulations;
3. money received as a result of fundraising appeal activities conducted during the period from 01 January 2021 to 31 December 2021 has been properly accounted for and applied in accordance with the Charitable Fundraising Act (NSW) 1991 and regulations
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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 company 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the Directors in complying with the financial reporting provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result the report should not be used for another purpose.

Emphasis of Matter – Going concern

Without qualification, we draw attention to the information contained in Note 14 Going concern.

Emphasis of Matter - Key Management

Without qualification to the above opinion attention drawn to note 12 in the financial report 'Key management personnel compensation', one key management employee exists. The association has elected non-compliance with AASB 124 in order not to breach employee confidentiality.

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 the basis of preparation outlined in Note 2 to the financial report, 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 have been prepared in accordance with the *Charitable Fundraising Act (NSW) 1991*, 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company'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 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.

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 Audit Services Pty Ltd
Authorised Audit Company Number 517597

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

Michelle Paull
Director

Dated: 15 March 2022

Armidale, NSW