

# Cystic Fibrosis Australia

ABN: 73 104 285 136

## Financial Statements

For the year ended 31 December 2022



Rose Cottage

2 Richardson Place

North Ryde NSW 2113

PO Box 268

North Ryde NSW 1670

# Cystic Fibrosis Australia

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# Cystic Fibrosis Australia

## Directors' report

31 December 2022

The directors of Cystic Fibrosis Australia (the 'company') present this report for the year ended 31 December 2022.

## Directors

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

	<b>Position</b>	<b>Appointed/Resigned</b>	<b>Qualifications</b>
Mitchell Messer	President	Appointed 24 April 2003	Company Director & Consultant
Feliciano Sanchez	Vice President	Appointed 19 April 2009	Company General Manager
Laurence Daly	Treasurer	Appointed 24 July 2013	Accountant
Peter Walk	Director	Appointed 16 October 2016	Conjoint Professor
Caz (Carolyn) Boyd	Director	Appointed 1 May 2018	PA for an Associate Clinical Professor of Endocrinology
Gerard Kandelaars	Director	Appointed 6 February 2022	Justice of the Peace (SA) Associate Diploma in Engineering
Melissa Mail	Director	Resigned 12 March 2022	Lawyer
Sean Collins	Director	Resigned 16 July 2022	Management & IT Consultant
Sarah Kelly	Director	Resigned 27 August 2022	Lawyer and principal policy officer

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

Joanne Armstrong currently holds the position of Company Secretary.

## 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 2022 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.

## 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.

# Cystic Fibrosis Australia

## Directors' report

31 December 2022

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

## Operating Result

The current year operating result of the company was a profit of \$7,073 (2021: deficit of \$1,816 ).

## 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.

## 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.

# Cystic Fibrosis Australia

## Directors' report

31 December 2022

## Directors' meetings

During the year, 11 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Mitchell Messer	11	9
Feliciano Sanchez	11	8
Laurence Daly	11	8
Peter Wark	11	7
Carolyn Boyd	11	8
Gerald Kandelaars	11	9
Melissa Mail	1	1
Sean Collins	4	4
Sarah Kelly	6	5

## 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 2022 the number of members was 2022: 7 (2021: 7).

## 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 2022 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the directors:

DocuSigned by:  
  
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Mitchell Messer  
President

DocuSigned by:  
  
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Laurence Daly  
Treasurer

Dated 26 April 2023

## 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 2022 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



Max Elphick

Director

Armidale, NSW, 26 April 2023

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# Cystic Fibrosis Australia

## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue	5	807,831	911,862
Employee benefit expenses		(484,285)	(504,976)
Data Registry		(105,000)	(180,712)
Project Research expenses		(68,900)	(118,517)
Board & Other Meeting expenses		(6,840)	(5,490)
Cystic Fibrosis Conference expenses		(59,245)	(27,761)
Fundraising expenses		(313)	(1,920)
Other administrative expenses		(76,175)	(74,302)
<b>Profit (loss) for the year</b>		<b>7,073</b>	<b>(1,816)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>7,073</b>	<b>(1,816)</b>

The accompanying notes form part of these financial statements.

# Cystic Fibrosis Australia

## Statement of financial position

As at 31 December 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and Cash Equivalents	6	171,517	81,534
Trade and Other Receivables	7	48,500	161,602
<b>Total current assets</b>		<b>220,017</b>	<b>243,136</b>
<b>Total assets</b>		<b>220,017</b>	<b>243,136</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and Other Payables	8	61,606	129,951
Employee Benefits	9	55,955	42,802
Other Liabilities		55,000	30,000
<b>Total current liabilities</b>		<b>172,561</b>	<b>202,753</b>
<b>Total liabilities</b>		<b>172,561</b>	<b>202,753</b>
<b>Net assets</b>		<b>47,456</b>	<b>40,383</b>
<b>Equity</b>			
Retained Earnings		47,456	40,383

The accompanying notes form part of these financial statements.



# Cystic Fibrosis Australia

## Statement of changes in equity

For the year ended 31 December 2022

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

<b>2022</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Opening balance	40,383	40,383
Profit/(loss) for the year	7,073	7,073
<b>Closing balance</b>	<b>47,456</b>	<b>47,456</b>

The accompanying notes form part of these financial statements.

# Cystic Fibrosis Australia

## Statement of cash flows

For the year ended 31 December 2022

	2022	2021
	\$	\$
<b>Cash flows from operating activities:</b>		
Receipts from customers	978,394	912,723
Payments to suppliers and employees	(888,470)	(924,583)
Interest received	59	28
<b>Net cash flows from/(used in) operating activities</b>	<b>89,983</b>	<b>(11,832)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>89,983</b>	<b>(11,832)</b>
Cash and cash equivalents at beginning of year	81,534	93,366
<b>Cash and cash equivalents at end of financial year</b>	<b>171,517</b>	<b>81,534</b>

The accompanying notes form part of these financial statements.

# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### 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 26 April 2023.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 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 Standards

AASB107: Cash Flow Statements

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

AASB 1031: Materiality

AASB 1054: Australian Additional Disclosures

# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### 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.

#### 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.

# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### 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.

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.

# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### 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 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

	2022	2021
	\$	\$
State and Territory	154,732	121,680
Donations	396,682	185,873
Corporate Partners	76,457	52,914
Grants	129,455	178,000
Sponsorship- data registry	27,000	27,000
Sponsorship - other	-	83,215
Conference revenue	7,894	262,299
Other revenue	15,552	853
Interest Income	59	28
<b>Total</b>	<b>807,831</b>	<b>911,862</b>

# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### 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

	2022	2021
	\$	\$
Cash at bank	142,812	52,881
Short-term deposits	28,705	28,653
	171,517	81,534

### 7. Trade and other receivables

Current	2022	2021
	\$	\$
<b>Trade receivables</b>		
Trade Debtors	48,485	158,602
Deposits Paid	15	3,000
	48,500	161,602

### 8. Trade and other payables

Current	2022	2021
	\$	\$
Trade payables	55,341	100,933
GST payable	6,265	29,018
	61,606	129,951

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.

# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### b. Employee benefit details

Current	2022	2021
	\$	\$
Long service leave	30,841	26,723
Annual leave	25,114	16,079
	55,955	42,802

## 10. Financial risk management

Financial assets	2022	2021
	\$	\$
<b>Held at amortised cost</b>		
Cash and cash equivalents	171,517	81,534
Trade and other receivables	48,500	161,602
	220,017	243,136

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 2022. 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 2022 (2021: 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.



# Cystic Fibrosis Australia

## Notes to the financial statements

For the year ended 31 December 2022

### 13. 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 2022 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.

### 14. Events occurring after the reporting date

Cystic Fibrosis Australia have been informed by CFNSW, CFVIC, and CFQ that they will withhold their levy payments to the Company for the 2023 financial year. While this does not adversely affect the financial operations of the Company for the 2023 year if this becomes a permanent change to their membership of the Company it may have a financial impact on the Company's state of affairs in future years.

With the exception of the above, 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.

### 15. 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

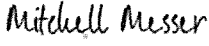
Cystic Fibrosis Australia

For the year ended 31 December 2022

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 2022 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 13 Going concern.

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

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Mitchell Messer

President

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Laurence Daly

Treasurer

Date: 26 April 2023

# Chairman's Declaration

## Cystic Fibrosis Australia

For the year ended 31 December 2022

### 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:  
*Mitchell Messer*  
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Mitchell Messer

President

North Ryde, NSW

Date: 26 April 2023

## Independent auditor's report

To the members of Cystic Fibrosis Australia.

### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Cystic Fibrosis Australia (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the Responsible persons' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 31 December 2022 is prepared, in all material respects, in accordance with the Australian Accounting Standards.

### 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 2022;
2. the financial report has been properly drawn up, and the associated records have been properly kept for the period from 01 January 2022 to 31 December 2022, 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 2022 to 31 December 2022 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.

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## **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.

### **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 13 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.

## **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



Max Elphick

Director

Dated: 26 April 2023

Armidale, NSW