Annual Report

Physical Disability Council of NSW Incorporated

For the year ended 30 June 2018

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Responsible Entities' Report

The Responsible Entities of Physical Disability Council of NSW Incorporated presents their report together with the financial statements for the financial year ended 30 June 2018 and the Independent Audit Report thereon.

Responsible Entities

PDCN Responsible Entities are elected in accordance with the Constitution and hold office from the date of the Annual General Meeting held each year.

The names of Responsible Entities in office during the financial year were as follows:

Name of responsible entity	Responsible entities position	Date of appointment resignation
Peter Simpson	President	Resigned October 2017
Matthew Kayrooz	Vice President	Appointed October 2015
Chris Sparks Chris Sparks	Treasurer President	Resigned October 2017 Appointed October 2017
David Jeffries	Secretary	Appointed November 2015
Arthur Theodore	Member	Resigned October 2017
Phil Burfurd	Member	Resigned October 2017
Kevin Finlayson	Member	Resigned October 2017
Caroline Daley	Member	Resigned October 2017
Simon Stanford	Treasurer	Appointed October 2017
Julia Mansour	Member	Appointed October 2017
Jacob Cross	Member	Appointed October 2017
Michael Rabbitt	Member	Appointed October 2017
Steven Yates	Member	Appointed October 2017 Resigned December 2017
Rex Betar	Member (casual vacancy)	Appointed February 2018

Short and Long Term Objectives:

Physical Disability Council of NSW Incorporated's short and long term goals are as follows:

- Deliver innovative, outcomes focused programs that make a difference to the lives of, and develop the capacity of, people with physical disability.
- Provide informed expert commentary on the issues that affect people living with physical disability.
- Develop and strengthen partnerships that enhance the work we do, and benefits people with physical disability.
- Build a sustainable organisation that remains true to our vision and values.

The association will continue to pursue its principal activities.

Strategy for achieving objectives;

- Establish outcomes focused programs and services that improve engagement and inclusion in the wider community.
- Develop communication tools and approaches that are up to date.
- Researching and considering a diverse range of effective partnerships.
- Strengthening and diversifying our income streams.

Operating Results and Review of Operations

The surplus for the year of the Association amounted to $207,597 (2017: surplus $276,523).

Environmental Issues

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meetings of Responsible Entities

During the year, nine meetings were held. Attendances were as follows:

Name of responsible entity	No. eligible to attend	No. Attended
Peter Simpson	3	3
Matthew Kayrooz	9	7
Chris Sparks	9	8
David Jeffries	9	8
Arthur Theodore	3	3
Phil Burfurd	3	2
Kevin Finlayson	3	2
Caroline Daley	3	1
Michael Rabbitt	6	6
Simon Stanford	6	5
Julia Mansour	6	5
Jacob Cross	6	4
Stephen Yates	2	1
Rex Betar	3	2

Indemnifying Officers

The Association has not during or since the end of the financial year, in respect of any person who is or has been an officer of the Association:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of Association

No person has applied for leave of court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a part of the purpose of taking responsibility on behalf of the Association for all or any part of these proceedings.

The Association was not a party to such proceedings during the year.

Auditors Independence Declaration

Please refer to page 5.

Signed in accordance with a resolution of the Responsible Entities.

Chris Sparks – President

David Jeffries – Secretary

10 day of October 2018

Auditors Independence Declaration

To the Committee of Physical Disability Council of NSW Incorporated

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Physical Disability Council of NSW Incorporated for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

Infinity Financial

Chartered Accountants

Scott Bennison

Partner – Audit & Assurance

Sydney, 10 day October 2018

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue	2	901,312	944,968
Other income	3	39,174	102,176
Employee benefit expense		(428,816)	(345,724)
Depreciation		(2,587)	(3,101)
Other expense		(301,486)	(421,796)
Finance costs		-	-
Surplus before income tax		**207,597**	**276,523**
Income tax expense		-	-
Profit for the year		**207,597**	**276,523**
Other comprehensive income		**-**	**-**
Other comprehensive income for the year, net of tax		**207,597**	**276,523**
Total comprehensive income for the year		**207,597**	**276,523**

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2018

	Notes	2018 $	2017 $
Current assets			
Cash and cash equivalents	4	1,300,835	1,333,210
Trade and other debtors	5	2,867	27,462
Other current assets		497	-
Total current assets		**1,304,199**	**1,360,672**
Non-current assets			
Property, plant and equipment	6	3,142	5,728
Total non-current assets		**3,142**	**5,728**
Total assets		**1,307,341**	**1,366,400**
Current liabilities			
Trade and other payables	7	49,039	47,905
Employee benefits	8	23,955	15,946
Provisions	9	38,628	26,300
Other liabilities	10	461,937	750,064
Total current liabilities		**573,559**	**840,215**
Non-current liabilities			
Employee benefits		-	-
Total non-current liabilities		**-**	**-**
Total liabilities		**573,559**	**840,215**
Net Assets		**733,782**	**526,185**
Equity			
Retained surplus		733,782	526,185
Total Members Funds		**733,782**	**526,185**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2018

	Notes	Reserves	Accumulated surplus	Total member funds
Balance at 1 July 2016			**249,662**	**249,662**
Profit for the year		-	276,523	276,523
Other comprehensive income		-	-	-
Total comprehensive income		-	276,523	276,523
Balance at 30 June 2017		**-**	**526,185**	**526,185**
Balance at 1 July 2017		**-**	**526,185**	**526,185**
Profit for the year		-	207,597	207,597
Other comprehensive income		-	-	-
Total comprehensive income		-	207,597	207,597
Balance at 30 June 2018		**-**	**733,782**	**733,782**

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 $	2017 $
Operating Activities			
Receipts from:			
• government grants		613,184	511,860
• members contributions		3,252	5,268
• interest received		15,295	22,178
• workshops		-	9,908
• other income		20,627	64,822
Payments to employees and suppliers		(684,733)	(873,154)
Net cash provided by operating activities		**(32,375)**	**(264,118)**
Investing activities			
Purchase of property, plant & equipment		-	(5,574)
Proceeds from disposals of property, plant & equipment		-	-
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Net cash provided by / (used in) investing activities		-	(5,574)
Financing activities			
Proceeds from bank loans		-	-
Repayment of bank loans		-	-
Net cash from / (used in) financing activities		**-**	**-**
Net change in cash and cash equivalents		**(32,375)**	**(269,692)**
Cash and cash equivalents, beginning of year		**1,333,210**	**1,602,902**
Cash and cash equivalents, end of year		**1,300,835**	**1,333,210**

The accompanying notes form part of these financial statements

Notes to the Financial Statements

NOTE 1: Statement of significant accounting policies

The Directors' have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

1.1 Basis of preparation

The financial report has been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which fair value basis of accounting has been applied.

1.2 New and amended standard adopted by the association

The Association has adopted all the amendments to Australian Accounting Standards issued by the Australian Standards Board, which are relevant to and effective for the Association's financial statements for the annual period beginning 1 July 2017.

1.3 Accounting standards issued but not yet effective and not yet been adopted early by the Association

- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-Profit entities*
- AASB 2016-B Amendments to Australian Accounting Standards – Australian Implementation *Guidance for Not-for-Profit Entities*

1.4 Significant accounting policies

Income Tax

The association is exempt from income tax under Subdivision 50-B of the Income tax Assessment Act 1997

Property, Plant and Equipment (PPE)

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment (PPE)

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciation amount of all fixed assets including building and capitalised leased assets, buts excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

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

Class of fixed asset	*Depreciation rate*
Buildings:	2%
Leasehold improvements:	10%-33%
Plant and equipment:	5%-15%
Leased plant and equipment:	10%

The asset's residual and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The depreciation amount of all fixed assets including building and capitalised leased assets. The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Held-to-maturity investments

These investments have fixed maturities, and it is the Association's intention to hold these investments to maturity. Held-to-maturity investments held by the Association are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

Impairment of non-financial assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Association's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association presents employee benefit obligations as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents

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

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of Goods and Services Tax (GST).

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 these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Association. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Provisions – Long service leave

As discussed in Note 1.4, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Impairment

An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Association's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Economic dependence

The Association is dependent upon the NSW Department of Family & Community Services for the majority of its operating revenue. At the date of this report the department has guaranteed to extend the previous cut off date for funding from 30 June 2018 to 30 June 2020.

Going concern

The Association have prepared the financial statements on a going concern basis and believe that the association will be able to pay its debts as and when they fall due.

Deferred Income

The liability for deferred income is the unutilised amounts of grants received on the condition that specific services are delivered or conditions fulfilled. The services are usually provided on the conditions usually fulfilled with 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and resented as non-current.

2 Revenue

	2018	2017
	$	$
Operating activities		
Government funding	901,312	944,968
Gross revenue	**901,312**	**944,968**

3 Other revenue

	2018	2017
	$	$
Other revenue		
Interest	15,295	22,178
Members contributions	3,252	5,268
Public donations	2,980	51,788
Workshop income	-	9,908
Other revenue	17,647	13,034
Other revenue	**39,174**	**102,176**

4 Cash and cash equivalents

	2018	2017
	$	$
Other revenue		
Cash at bank and in hand	800,835	1,280,210
Short-term bank deposits	500,000	50,000
Other revenue	**1,300,835**	**1,333,210**

4.1 Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the statement of financial position as follows:

	2018	2017
	$	$
Cash at bank and in hand	800,835	1,280,210
Short-term bank deposits	500,000	50,000
Other revenue	**1,300,835**	**1,333,210**

5 Trade and other receivables

	2018	2017
	$	$
Other revenue		
Trade receivables	2,867	27,036
Deposit bonds	-	426
Other revenue	**2,867**	**27,462**

6 Property, plant and equipment

	2018	2018
	$	$
Plant and equipment		
Plant and equipment		
- at cost	28,085	28,085
- accumulated depreciation	(24,943)	(22,357)
- accumulated impairment losses	-	-
Total plant and equipment	**3,142**	**5,728**

7 Trade and other payables

	2018	2017
	$	$
Current		
Unsecured liabilities:		
- trade payables	28,659	16,869
- sundry payables and accrued expenses	20,380	31,036
	49,039	**47,905**

8 Employee benefits

	2018	2017
	$	$
Current		
Annual leave	23,955	15,946
Long service leave	-	-
	23,955	**15,946**
Non-current		
Annual leave	-	-
Long service leave	-	-
	-	**-**

9 Provisions

	2018	2017
	$	$
Current		
General provisions	5,000	8,000
Alliance Campaign Provision	33,628	18,300
	38,628	**26,300**

10 Other liabilities

	2018	2017
	$	$
Current		
Unamortised grants	461,937	750,064
	461,937	**750,064**

11 Auditors remuneration

	2018	2017
	$	$
Current		
Audit services	4,000	4,000
Other services	-	-
	4,000	**4,000**

12 Events 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 Association, the results of those operations, or the state of affairs of the Association in future financial years.

13 Association details

The registered office of the Association is:
St Helens Community Centre
3/184 Glebe Point Road
Glebe NSW 2037

The principal place of business is:
St Helens Community Centre
3/184 Glebe Point Road
Glebe NSW 2037

Responsible persons' declaration

In the opinion of the Responsible Entities of Physical Disability Council of NSW Incorporated:

(a) The financial statements and notes of Physical Disability Council of NSW Incorporated are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

  i. Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

  ii. Complying with Australian Accounting Standards (including the Australian Interpretations) and the *Australian Charities and Not-for-profit Commission Regulation 2013;* and

(b) there are reasonable grounds to believe that the Physical Disability Council of NSW Incorporated will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities.

Physical Disability Council of NSW Incorporated

Chris Sparks
President

Dated this 10 day of October 2018

Independent Auditor's Report

To the members of Physical Disability Council of NSW Incorporated

We have audited the financial report of Physical Disability Council of NSW Incorporated, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion the financial report of Physical Disability Council of NSW Incorporated has been reprepared in accordance with Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012*, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and *Not-for-profit Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and ethical Standards Board APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant of 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.

Responsibility of the Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities Not-for-profit Commission Act 2012* of and the members. The responsible entities' responsible also includes such internal controls as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express and opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Infinity Financial

Chartered Accountants

Scott Bennison

Partner – Audit & Assurance

Sydney, 10 day of October 2018