SOUTH EAST COMMUNITY LINKS INC.

ABN 72 451 442 319

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2017

SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

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SOUTH EAST COMMUNITY LINKS INC.
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BOARD'S REPORT

The board members submit the financial report of South East Community Links Inc. for the financial period ended 30 June 2017.

Board Members
The names of the board members in office at anytime during or since the end of the year are:
- Ross Hepburn (Chairperson)
- Deborah Remfry (Deputy Chair)
- Chris James (Treasurer)
- Julie Klok (Secretary)
- Hang Vo
- Jan Cormack
- Jeanette Ward
- Kristen Wallwork
- Angela Kyriakopoulos (Resigned 27 March 17)
- Sri Samy (Resigned 29 November 16)
- Garrett Teters (Staff Rep.)
- Rhonda Cumberland (CEO)

Principal Activities
The principal activities of the association during the financial period were:

To offer a diverse range of support services in municipalities of Greater Dandenong, Casey, Monash and Kingston

Significant Changes
There has been no significant changes in the nature of the association's activities during and since the end of the financial period.

The Board has reviewed and updated its accounting policy with regards to employee provisions, specifically the provision for redundancy previously raised. This provision has been removed in accordance with Note 1 (e) to the financial statements.

Operating Result
The surplus for the 2017 financial year amounted to $201,606 (2016: Deficit $190,835).

Signed in accordance with a resolution of the members of the board:

Ross Hepburn
Chairperson

Chris James
Treasurer

Dr Rhonda Cumberland
Chief Executive Officer

Dated this 24th day of October 2017

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012
TO THE BOARD OF
SOUTH EAST COMMUNITY LINKS INC.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been no contraventions of:

i. the auditor independence requirements as set out in the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

HAINES MUIR HILL
Chartered Accountants
888 Doncaster Road
DONCASTER EAST VIC 3109

Kristian Lunardello
Partner

Dated on this 23rd day of October 2017

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SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
INCOME			
Grants received		3,869,871	2,808,897
Other income received	2	684,165	283,386
Interest received		35,068	29,265
		4,589,104	3,121,548
EXPENDITURE			
Employee and contractor benefits expense		3,022,016	2,596,341
Client support expenses		651,147	184,180
Consultancy expenses		129,358	74,814
Occupancy expenses		62,223	46,582
Amalgamation expenses		50,500	95,874
Depreciation expenses		49,868	33,708
Other expenses	2	422,386	280,884
		4,387,498	3,312,383
Current year surplus / (deficit)		201,606	(190,835)
Retained surplus brought to account upon amalgamation of associations		-	997,802
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR		806,967	-
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR		1,008,573	806,967

The accompanying notes form part of these financial statements.

SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

ASSETS AND LIABILITIES STATEMENT

AS AT 30 JUNE 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash on hand	3	1,503,062	1,780,245
Accounts receivable and other debtors	4	121,774	170,893
Food vouchers on hand		-	13,182
TOTAL CURRENT ASSETS		1,624,836	1,964,320
NON-CURRENT ASSETS			
Property, plant and equipment	5	139,424	168,658
TOTAL NON-CURRENT ASSETS		139,424	168,658
TOTAL ASSETS		1,764,260	2,132,978
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	6	267,230	474,844
Provisions	7	343,472	375,862
Grants received in advance	8	144,985	207,782
TOTAL CURRENT LIABILITIES		755,687	1,058,488
NON-CURRENT LIABILITIES			
Provisions	7	-	267,523
TOTAL NON-CURRENT LIABILITIES		-	267,523
TOTAL LIABILITIES		755,687	1,326,011
NET ASSETS		**1,008,573**	**806,967**
MEMBERS' FUNDS			
Retained surplus		1,008,573	806,967
TOTAL MEMBERS' FUNDS		**1,008,573**	**806,967**

The accompanying notes form part of these financial statements.

SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016 $
Cash flows from operating activities			
Receipts from operating activities		4,905,011	3,151,386
Gifts and donations received		24,732	39,177
Interest received		32,672	29,295
Payments to suppliers and employees		(5,218,964)	(3,591,894)
Net cash used in operating activities	9	(256,549)	(372,036)
Cash flows from investing activities			
Payment for property, plant and equipment		(20,634)	(40,118)
Net cash used in investing activities		(20,634)	(40,118)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net decrease in cash held		(277,183)	(412,154)
Cash on hand upon amalgamation of associations		-	2,192,399
Cash on hand at beginning of financial year		1,780,245	-
Cash on hand at end of financial year	3	1,503,062	1,780,245

The accompanying notes form part of these financial statements.

SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The board have prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and the requirements of a tier 3 entity under the *Associations Incorporation Reform Act 2012 (Vic)*. The board has determined that the association is not a reporting entity. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and the significant accounting policies disclosed below, which the board have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Property, Plant and Equipment

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives to the association.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the association commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(b) Impairment of assets

At the end of each reporting period, the board reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(c) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from program funding providers, members and amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the assets and liabilities statement.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in income and expenditure statement as a part of employee benefits expense.

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

(e) 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 the amounts required to settle the obligation at the end of the reporting period.

During the financial year, the board amended its policy for redundancy provisions in the association's assets and liabilities statement. It was resolved to remove the conservatism applied to the financial statements to bring the policy into line with the recognition and measurement requirements of AASB 137: *Provisions, Contingent Liabilities and Contingent Assets.*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Provisions (cont'd)

The effect of this change in policy means there is no longer a provision for redundancy included in the assets and liabilities statement. This has reduced the "Employee and contractor benefits expense" line in the income and expenditure statement by the balance of the provision as at 30 June 2016, less any redundancy payments made during the year ended 30 June 2017).

Previously, the board's policy was to raise a provision in the event that funding is not continued by the association's providers. The full payout value as per the *Fair Work Act 2009* was calculated with 40% of the nominal value being provided for in the statements.

The prior period's provision was not restated in these financial statements to show the impact of the change in policy. The board notes that the overall retained surplus will not be effected by not updating comparative figures and it provides the users of the report clarity that there are no longer considerations made for scaling back any form of its principal activities.

(f) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(g) Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(h) Revenue and Other Income

Non-reciprocal grant revenue is recognised in income and expenditure statement when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

(i) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as South East Community Links Inc. is exempt from income tax under section 50-5 of the *Income Tax Assessment Act 1997.*

(l) Food vouchers on hand

During the financial year, the board amended its policy for food vouchers on hand in the association's assets and liabilities statement. Food vouchers will now be expensed in the income and expenditure statement when they are purchased. Food vouchers on hand were previously measured at cost and classified as current assets until they are provided to clients. Once provided to clients as a part of the associations service provided, the vouchers were then recognised in the income and expenditure statement as an expense. Prior period adjustment has not been included for the change in policy.

(m) Critical Accounting Estimates and Judgements

The board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the association. The association has decided not to early adopt any of the new and amended pronouncements. The board's assessment of the new and amended pronouncements that are relevant to the association but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The board anticipate that the adoption of AASB 9 will not have an impact on the association's financial instruments, as the association does not have any financial instruments where hedge accounting is applied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) New Accounting Standards for Application in Future Periods (cont'd)

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The board anticipate that the adoption of AASB 16 will impact the association's financial statements as the association currently has, and intends to continue entering into leases which are currently classified as operating. A "Right to use" asset would be included for the future benefit to be 'obtained from each asset along with the corresponding liability associated with future payments.

The board cannot predict the amount of leases that will be in place at this time, therefore the effect to the income and expenditure statement cannot be predicted at this point.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This standard is applicable to the transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

Income arising from an excess of the initial carrying amount of an asset over the related increases in liabilities, decreases in assets and revenue should be immediately recognised in income and expenditure statement. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to income and expenditure statement as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by members or revenue) immediately recognised as income in income and expenditure statement.

The board accepts that the adoption of AASB 1058 will have a material impact on the association's financial statements, particularly in regards to leasing of premises. The dollar value of the impact to the income and expenditure statement is impractical at this point in time, as further guidance will be obtained on the standard before it is introduced.

	2017 $	2016 $
2. SURPLUS (DEFICIT) FOR THE PERIOD		
a. Revenue		
Other income received:		
- SRSS Income	218,721	-
- CCS complex case fees	152,805	74,461
- HSS (AMES) fees	121,642	83,315
- Reimbursed expenses	82,097	34,698
- Scholarship funds	45,273	10,690
- Outposted workers fees	38,895	41,045
- Gifts and donations	24,732	39,177
	684,165	283,386
b. Material Other Expenses		
Communication expenses	79,535	43,111
Cleaning and pest control	40,270	33,057
Utilities	45,450	32,180
3. CASH ON HAND		
Petty cash	1,250	1,250
Cash at bank	701,812	1,023,396
Term deposits	800,000	755,599
	1,503,062	1,780,245
4. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
CURRENT		
Trade receivables	85,557	131,332
Rental bonds	4,527	4,525
Accrued interest	5,060	2,664
Accrued income	26,630	32,372
	121,774	170,893
5. PROPERTY, PLANT AND EQUIPMENT		
Property improvements	43,748	43,748
Less accumulated depreciation	(11,725)	(5,020)
	32,023	38,728
Office furniture and equipment	21,001	19,651
Less accumulated depreciation	(6,951)	(2,236)
	14,050	17,415
Computer & office equipment	157,049	137,764
Less accumulated depreciation	(63,698)	(25,249)
	93,351	112,515
Total property, plant and equipment	139,424	168,658

		2017 $	2016 $
6.	**ACCOUNTS PAYABLE AND OTHER PAYABLES**		
	CURRENT		
	Trade creditors	-	113,172
	Accrued expenses	80,691	181,701
	Withholding taxes payable	118,662	87,555
	Other creditors	18,097	53,677
	Goods and services tax	49,780	38,739
		267,230	474,844
7.	**PROVISIONS**		
	CURRENT		
	Provision for holiday pay	213,531	245,192
	Provision for long service leave	129,941	130,670
		343,472	375,862
	NON- CURRENT		
	Provision for redundancy	-	186,275
	Provision for long service leave	-	81,248
		-	267,523
8.	**GRANTS RECEIVED IN ADVANCE**		
	BSC Women	75,000	75,000
	Springboard Brokerage	17,295	-
	M Bhooshi Scholarship Fund	16,895	18,885
	NPELS	15,000	15,000
	Diversity Grant	8,000	-
	Sang Pool Scholarship Fund	7,497	13,173
	Court Fund (Dand)	2,000	1,987
	Ashwood L2P Donation	2,000	-
	Tamil Funds	900	502
	Other Donations	398	-
	RAP Grant in Advance	-	28,675
	Homework (Club)	-	25,000
	CISVIC ER (DAND)	-	17,560
	4-37MVF65 Volunteers	-	5,000
	Donation for new phone	-	7,000
		144,985	207,782

9. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus

	2017 $	2016 $
Current year surplus / (deficit)	201,606	(190,835)
Non-cash flows in current year surplus:		
- depreciation	49,868	33,708
- removal of redundancy provision	(41,750)	-
Changes in assets and liabilities:		
- (increase) / decrease in receivables	51,517	47,587
- (increase) / decrease in other assets	(2,398)	30
- (increase) / decrease in food vouchers on hand	13,182	3,478
- increase / (decrease) in payables and accruals	(207,614)	(46,560)
- increase / (decrease) in provisions	(258,163)	10,753
- increase / (decrease) in income in advance	(62,797)	(230,197)
Net cash used in operating activities	(256,549)	(372,036)

SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

STATEMENT BY MEMBERS OF THE BOARD

The board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the board of South East Community Links Inc., the members of the board declare that the financial statements as set out on pages 4 to 14:

1. present a true and fair view of the financial position of South East Community Links Inc. as at 30 June 2017 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*; and

2. at the date of this statement there are reasonable grounds to believe that South East Community Links Inc. will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the board by:

Ross Hepburn
Chairperson

Chris James
Treasurer

Dr Rhonda Cumberland
Chief Executive Officer

Dated this 24th day of October 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SOUTH EAST COMMUNITY LINKS INC.
ABN 72 451 442 319

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of South East Community Links Inc. (the Association), which comprises the assets and liabilities statement as at 30 June 2017, the income and expenditure statement 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 statement by the members of the board.

In our opinion, the accompanying financial report of South East Community Links Inc. is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the association's financial position as at 30 June 2017 and of its financial performance and cash flows for the year then ended; and

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

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the board of the Association, would be in the same terms if given to the board as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The board is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Board for the Financial Report

The board of the Association are responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the board 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 special purpose financial report, the board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board intend to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If 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 Association 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.

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.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HAINES MUIR HILL
Chartered Accountants
888 Doncaster Road
Doncaster East, Victoria

Kristian Lunardello
Partner

Dated on this 25th day of October 2017