

Nature Conservation Council of NSW Inc

ABN 96 716 360 601

**ANNUAL FINANCIAL REPORT
for the financial year ended 30 June 2018**



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Nature Conservation Council of NSW Inc
ABN 96 716 360 601

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**Nature Conservation Council of NSW Inc
ABN 96 716 360 601**

COMMITTEE'S REPORT

Your committee members submit their report together with the financial report of Nature Conservation Council of NSW Inc for the financial year ended 30 June 2018.

Executive Committee Members

The following were Executive committee members at any time during the reporting period and unless otherwise indicated were Executive committee members for the entire period

- Prof Donald White (Chair)
- Jim Morrison (North Regional Rep)
- Gabrielle Appleby (Appointed to Vice Chair & Secretary 20/11/17)
- Jamie Hanson (to 19/11/17)
- Kate da Costa (from 30/10/17)
- Megan Kessler (Vice Chair & Minutes Secretary to 19/11/17)
- Jane Smith (to 19/11/17)
- Annie Nielsen
- Robert Pallin (Public Officer)
- Ben Pearson (Treasurer)
- Cilla Kinross (Western Regional Rep)
- Franziska Mey (from 30/10/17)
- Suzanne Milthorpe
- Harry Burkitt (from 30/10/17)
- Simon Nicholas

Activities

The principal activities of the association during the year were to work for the conservation of nature, the protection of the environment and the attainment of an ecologically sustainable

Significant Changes

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

Operating Result

The net Surplus for the year amounted to:

Year Ended	Year Ended
30 June 2018	30 June 2017
261,589	149,773

SIGNED at SYDNEY on Monday 17th September 2018, in accordance with a resolution of the Executive Committee:



Donald O White
Chairman



Ben Pearson
Treasurer

**Nature Conservation Council of NSW Inc
ABN 96 716 360 601**

STATEMENT BY MEMBERS OF THE COMMITTEE


In the opinion of the Committee:

1. The accompanying financial statements and notes:
 - (a) comply with the Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
 - (b) give a true and fair view of the financial position of the association as at 30 June 2018 and of its performance for the year ended on that date; and
2. There are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

SIGNED at SYDNEY on Monday 17th September 2018, in accordance with a resolution of the Executive Committee:



Donald O White
Chairman



Ben Pearson
Treasurer

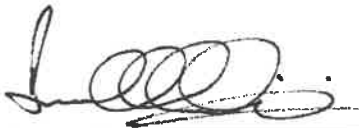
**Nature Conservation Council of NSW Inc
ABN 96 716 360 601**

DECLARATION in accordance with the Charitable Fundraising Act 1991

In our opinion:

- the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals;
- the statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals;
- the provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the organisation;
- the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

SIGNED at SYDNEY on Monday 17th September 2018, in accordance with a resolution of the Executive Committee:



Donald O White
Chairman



Ben Pearson
Treasurer

**STATEMENT OF PROFIT & LOSS AND
OTHER COMPREHENSIVE INCOME**

Year ended 30 June 2018

NOTE			
		FY 2018 \$	FY 2017 \$
Revenue	5	2,280,338	2,949,138
Expenses	6		
Employee Expenses		1,183,634	1,446,175
Depreciation & amortisation Expenses		44,691	68,199
Rental Expenses		100,875	90,496
Other Expenses		689,549	1,194,495
Total Expenses		2,018,749	2,799,365
Surplus for the year		261,589	149,773

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		NOTE	
		30-Jun-18	30-Jun-17
		\$	\$
Current Assets			
Cash and cash equivalents	7	1,675,749	1,617,896
Trade and other receivables	8	71,796	37,768
Other current assets	9	71,568	46,145
		1,819,113	1,701,809
Non-Current Assets			
Property, plant and equipment	10	29,860	44,691
		29,860	44,691
Total Assets		1,848,973	1,746,500
Current Liabilities			
Trade and other payables	11	1,018,087	1,081,858
Short term provisions	12(a)	142,390	158,362
Other current liabilities	13	-	0
		1,160,477	1,240,220
Non-Current Liabilities			
Non - Current provisions	12(b)	91,599	104,228
Bequests	14	0	66,745
		91,599	170,973
Total Liabilities		1,252,076	1,411,193
Net Assets		596,897	335,307
Members Equity			
Retained surplus		596,897	335,308
Total Equity		596,897	335,308

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended 30 June 2018

	RETAINED SURPLUS	TOTAL
	\$	\$
Balance at 30 June 2016	185,535	185,535
Surplus for the year	149,773	149,773
Balance at 30 June 2017	335,308	335,308
Surplus for the year	261,589	261,589
Balance at 30 June 2018	596,897	596,897

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

STATEMENT OF CASH FLOWS

Year ended 30 June 2018

		NOTE	
		FY 2018	FY 2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
		2,289,716	2,889,231
		36,567	31,507
		(2,238,570)	(2,680,017)
Net cash provided by operating activities	17	87,713	240,721
CASH FLOWS FROM INVESTING ACTIVITIES			
		(29,860)	(40,237)
Net cash (used) by investing activities		-	40,237
		57,853	200,484
		1,617,896	1,417,412
CASH AT THE END OF THE FINANCIAL YEAR		1,675,749	1,617,896

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

1. Introduction

The financial report is a general purpose financial report. It has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act NSW. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and is registered with the Australian Charities and Not-for-profits Commission (ACNC).

The financial report is for Nature Conservation Council of NSW Inc ("NCC") as an individual entity for the year ended 30 June 2018. NCC is an association incorporated in NSW under the Association Incorporation Act 1984. Its office and principal place of business is Level 14, 338 Pitt St. Sydney 2000.

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

NCC's management committee has chosen to early-adopt the ACNC's financial reporting definitions and other guidelines in preparing this report; the committee considers that this has not resulted in any material changes to the report.

The financial statements were authorised for issue on 17th September 2018 by the members of the committee.

2. Basis of preparation

(a) Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is NCC's functional currency.

3. Significant accounting policies

The principal accounting policies have been consistently applied to all periods presented in these financial statements.

(a) Income tax

NCC is a not-for-profit organisation and has been advised by the Australian Charities and Not-For-Profit Commission (ACNC) that it is exempt from Income Tax pursuant to the Income Tax Assessment Act 1997. NCC has been endorsed by the ACNC as a charity.

(b) Cash and cash equivalents

Cash and cash equivalent comprises cash on hand and deposits held at call with financial institutions.

(c) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no later than 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the Statement of Comprehensive Income.

(d) Property, plant and equipment

(i) Plant and equipment

All plant and equipment is stated at historical costs less accumulated depreciation and impairment losses. The depreciable amount of all plant and equipment are depreciated over their useful lives commencing from the time the asset is held ready for use. The carrying amount of the property, plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount of those assets.

(ii) Website

Costs in relation to the management of websites controlled and owned by the entity are charged as an expense in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefit. Costs incurred in building a website, to the extent that can be reliably measured, are capitalised as an asset and amortised over the period of the expected benefit, which is four

(d) Property, plant and equipment (Cont..d)

Plant and equipment, are depreciated over their expected useful lives using the straight line method. Where an asset's life is not expected to greatly exceed twelve months, or expenditure of a minor capital nature, it is written off and not capitalised.

The rates for depreciable assets are as follows:

Computers & equipment	33%
Furniture and Fittings	20%
Leasehold Improvements	Over the life of the lease

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Gains and losses on disposal of property, plant and equipment are taken into account in determining the surplus/loss for the financial year.

(e) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to NCC prior to the end of the financial year that are unpaid at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

(f) 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. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, 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.

(g) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessors, are recognised as expenses on a straight-line basis over the lease term.

(h) Revenue

Revenue is recognised when the amount can be measured reliably and it is probable that it will be received by NCC. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets. All revenue is stated net of the amount of Goods and Services Tax (GST). Revenue is recognised for the major business activities as follows:

(i) Grants

Grants on projects are matched to the extent of expenditure incurred on the project. Any unspent amounts are disclosed as a liability in the balance sheet as unexpended grants and deferred income.

(ii) Project fees

Project fees on receipt of grant is amortised over the period of the grant. Such fees are included in grants and sponsorship income, and any amounts relating to periods after year end are deferred and included as a liability in the balance sheet as unexpended grants and deferred income.

(iii) Donations, Bequests & Other income

All Donations and other income are recognised as revenue upon receipt.

(iv) Interest income

Interest income is recognised as revenue when due.

(i) Goods & 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 balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

(j) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held to maturity' investments, 'available for sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designed as at FVTPL.

(ii) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loan and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the effect of discounting is immaterial.

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment

(iv) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designed as at FVTPL.

(v) Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net

(vi) De-recognition of financial liabilities

NCC de-recognises financial liabilities when, and only when, all obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

(k) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by NCC for the annual reporting period ended 30 June 2018. The Board does not consider there to be any significant impact of these standards, either in the current year or in subsequent financial years.

4. Segment reporting

Nature Conservation Council of NSW (NCC) operates in New South Wales, predominately in one industry, being the commitment to protecting & restoring the unique natural environment, working for the conservation of nature and attainment of an ecological sustainable society.

5. Revenue

	FY 2018	FY 2017
	\$	\$
Grants and sponsorship	569,487	1,770,842
Fundraising	1,510,417	938,734
Other revenue	166,651	208,055
Interest	33,782	31,507
	2,280,338	2,949,138

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

6. Expenses

Environmental programs	530,534	1,627,440
Environmental advocacy	991,337	651,142
Administration and overheads	190,798	209,763
Fundraising	230,837	248,582
Member services and governance	75,243	62,438
	<u>2,018,750</u>	<u>2,799,364</u>

7. Cash and cash equivalents

Cash and Cash equivalents	681,338	331,451
Term deposits	994,411	1,286,445
	<u>1,675,749</u>	<u>1,617,896</u>

8. Trade & other receivables

Trade debtors	71,538	25,357
Less provision for doubtful debts	(9,368)	0
Accrued Income and Accrued Interest	9,627	12,412
	<u>71,796</u>	<u>37,768</u>

9. Other current assets

Prepayments	71,568	46,145
	<u>71,568</u>	<u>46,145</u>

10. Property, plant and equipment

Plant & Equipment	12,677	35,259
Less: Accumulated Depreciation	(12,677)	(33,056)
	<u>0</u>	<u>2,203</u>
Furniture, Fittings & Fixtures	4,523	5,412
Less: Accumulated Depreciation	(4,523)	(3,996)
	<u>0</u>	<u>1,416</u>
Website, database and software	149,405	136,675
Less: Provision for Impairment	0	0
Less: Accumulated Depreciation	(119,545)	(121,420)
	<u>29,860</u>	<u>15,255</u>
Leasehold improvements	21,645	61,645
Less: Accumulated Depreciation	(21,645)	(35,828)
	<u>0</u>	<u>25,817</u>
	<u>29,860</u>	<u>44,691</u>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Balance at beginning of year	Additions / (Write -off)	Depreciation / Amortisation / expense	Carrying amount at the end year
Plant and Equipment	2,203	-	2,203	0
Furniture and Fittings	1,416	-	1,416	0
Website and Database	15,255	29,860	15,255	29,860
Leasehold Improvements	25,817	-	25,817	0
Total	<u>44,691</u>	<u>29,860</u>	<u>44,691</u>	<u>29,860</u>

Assets carrying amounts and values have been reviewed as a result of the relocation of office and fitted leasehold improvements, Furniture, Fittings & Equipment and Plant & Equipment have been written off.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

11. Payables	FY 2018	FY 2017
Trade and other Payables	\$	\$
Trade payables	83,411	50,736
Other payables and accruals	181,789	256,860
Unexpended grants and unearned income	752,887	774,261
	<u>1,018,087</u>	<u>1,081,858</u>
Trade creditors are generally settled within 30 days. NCC consider the carrying amounts of trade and other accounts payable approximate their net fair values.		
12. Provisions		
(a) Current Liability		
Annual leave	142,390	158,362
	<u>142,390</u>	<u>158,362</u>
(b) Non - Current Liability		
Long service leave	91,599	104,228
	<u>91,599</u>	<u>104,228</u>
13. Other Current Liabilities		
Funds held on behalf of associated entities: Environment Centre NSW Pty Ltd	-	0
	<u>-</u>	<u>0</u>
14. BEQUESTS		
Bequests	0	66,745
Balance at 30 June	0	66,745
	<u>0</u>	<u>66,745</u>
15. OPERATING LEASE COMMITMENT		
Minimum lease payments:		
Less than 12 months	127,575	100,875
Later than 1 year but not more than 5 years	99,225	-
	<u>226,800</u>	<u>100,875</u>
16. Fundraising Information - In accordance with the Charitable Fundraising Act 1991		
Income from fundraising		
General donations	1,301,074	938,734
Bequests	209,343	0
	<u>1,510,417</u>	<u>938,734</u>
Direct expenditure on fundraising		
Appeals	163,947	154,919
Ongoing program	66,890	93,663
	<u>230,837</u>	<u>248,582</u>
Surplus from fundraising activities	<u>1,279,580</u>	<u>690,152</u>
Key ratios (relevant values can be found in the notes as cross-referenced)		
Cost of fundraising to gross income from fundraising – as above	15%	26%
Net surplus from fundraising to gross income from fundraising – as above	85%	74%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

17. Cash Flow Information

FY 2018 **FY 2017**

Reconciliation of Cash

\$ **\$**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the Balance sheet as follows

Cash at bank and on hand	1,675,749	1,617,896
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Reconciliation of cash flow from operations with the surplus for the year

Surplus / (Deficit) for the year	261,589	149,773
Non-cash items included in the surplus:		
Changes to provisions and reserves	(28,601)	53,114
Depreciation	44,691	103,143
Changes in assets and liabilities		
Decrease / (increase) in accounts receivable	(34,029)	(7,524)
Decrease / (increase) in other financial assets	(25,422)	20,831
Increase / (Decrease) in accounts payable	(63,770)	(78,615)
Increase / (Decrease) in bequests	(66,745)	-
Net cash provided by operations	87,713	240,721

18. Contingent liabilities

Payable minimum lease payments on a 5 year lease agreement with Neopost Finance for a folding and franking machine:

Less than 12 months	10,348	10,348
Later than 1 year but not more than 5 years	10,348	20,696
	20,696	31,044

19. Related parties

KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Executive Committee

Details of each member of the association's Executive Committee (management committee) during the financial year are given in the committee's report.

(b) Compensation paid to members of the Executive Committee

The Chair of the Executive Committee received a token honorarium of \$5,292 (2017: \$5,292); this was donated back to the association. Other committee members do not receive any compensation, other than reimbursement for any reasonable expenses incurred in performing their duties as committee members.

(c) Compensation paid to other key management personnel

The Executive Committee's policy for determining the nature and amount of compensation for other key management personnel (KMP) is based on a number of factors, including level of responsibilities, experience, performance and overall performance of the association. The contracts for service with KMP are on an ongoing basis and the terms are not expected to change in the immediate future. Upon terminating their employment with the association, KMP are paid their employment entitlements accrued to the date of termination.

Compensation paid or payable to KMP during the year was:

Short-term employee benefits	121,577	108,727
Post-employment benefits	-	-
	121,577	108,727

The key management personnel (KMP) are not entitled to any other compensation for their services during the year

(d) Other transactions and balances with key management personnel

No kmp has entered into a material contract with the company since the end of the financial year and there were no material contracts involving kmp's interests subsisting at balance date other than employment contracts.

20. Auditors' remuneration

During the year the following fees were paid or payable for services provided by the auditor; Hayes Knight (NSW) Pty Ltd

Audit of financial reports for the current financial year	5,500	7,022
Other services	-	-
	5,500	7,022

21. Events subsequent to reporting date

There have been no events subsequent to balance date which would have a material effect on NCC's financial statements at 30 June 2018.



Independent Auditor's Report

To the members of Nature Conservation Council of NSW Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Nature Conservation Council of NSW Inc., which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion, the accompanying financial report of Nature Conservation Council of NSW Inc. is in accordance with Australian Accounting Standards and Associations Incorporation Act (NSW) 2009, including

- (a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year then end;
- (b) giving a true and fair view of the Association's financial result of fundraising appeals conducted during the year;
- (c) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulations;
- (d) money received as result of fund raising appeals conducted during the year appears to have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations; and
- (e) at the date of this report, there are reasonable grounds to believe that the association 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 Association in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical 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 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 executive committee members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the requirements of the Associations Incorporation Act NSW and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Responsibilities of the Executive Committee Member for the Financial Report

The executive committee members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the requirements of the Associations Incorporation Act NSW and for such internal control as the executive committee members determine is necessary to enable the preparation of the 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 executive committee members 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 executive committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 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 executive committee members.
- Conclude on the appropriateness of the executive committee members' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.



Fran Rathod - Director Audit Services
Registered Company Auditor



Hayes Knight (NSW) Pty Ltd

Date at Sydney, this 19th day of September 2018