



Financial Statements

For the Year Ended 30 June 2023

Motor Neurone Disease Association of Victoria Inc

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Motor Neurone Disease Association of Victoria
Financial Statements
For the Year Ended 30 June 2023

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Motor Neurone Disease Association of Victoria
Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	2	6,619,944	9,040,699
Other Income	2	551,769	378,696
Reversal of Payable to MND Care Foundation	1(i)	-	7,891,242
Employee benefits expense		(4,175,374)	(3,830,037)
Depreciation, amortisation and impairments	3	(418,804)	(368,192)
Research grants	3	(362,894)	(253,276)
Other expenses		(2,596,243)	(2,218,676)
Operating surplus for the year after income tax		(381,602)	10,640,456
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to surplus or deficit</i>			
Net fair value increase / (decrease) on revaluation of financial assets		358,320	(748,942)
Net fair value increase / (decrease) on revaluation of land and buildings		490,500	-
Total other comprehensive income for the year		848,820	(748,942)
Total comprehensive income before transfer to reserves		467,218	9,891,514
Less transfer to reserves - MND Care Foundation	11	(379,138)	(8,328,383)
Plus transfer from reserves - Ella Whaley Research Fund	11	67,994	(2,220,818)
Total transfers to reserves		(311,144)	(10,549,201)
Total comprehensive income after transfer to reserves		156,074	(657,687)

Motor Neurone Disease Association of Victoria
Statement of Financial Position
As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,733,882	4,699,960
Trade debtors		158,211	18,757
Inventories		29,928	53,860
Financial assets at fair value through other comprehensive income	7	9,988,173	8,431,497
Other assets	6	96,333	64,799
Total current assets		14,006,527	13,268,873
Non-current assets			
Property, plant and equipment	8	3,852,413	3,381,862
Total non-current assets		3,852,413	3,381,862
TOTAL ASSETS		17,858,940	16,650,735
LIABILITIES			
Current liabilities			
Trade and other payables	9	410,135	226,757
Income received in advance	9	891,460	248,555
Employee entitlements	10	398,961	484,257
Total current liabilities		1,700,557	959,569
Non-current liabilities			
Employee Entitlements	10	8,054	8,054
Total non-current liabilities		8,054	8,054
TOTAL LIABILITIES		1,708,611	967,623
NET ASSETS		16,150,329	15,683,112
EQUITY			
Reserves	11	13,422,529	12,262,566
Retained earnings		2,727,800	3,420,546
TOTAL EQUITY		16,150,329	15,683,112

Motor Neurone Disease Association of Victoria
Statement of Changes in Equity
For the year ended 30 June 2023

	Note	Retained Earnings \$	Reserves \$	Total \$
2022				
Surplus / (Deficit) attributable to members of the Association		10,640,456	-	10,640,456
Other comprehensive income		-	(748,942)	(748,942)
Transfer (to)/from Reserves	11	(10,549,201)	10,549,201	-
Equity as at 30 June 2022		3,420,546	12,262,566	15,683,112
2023				
Surplus / (Deficit) attributable to members of the Association		(381,602)	-	(381,602)
Other comprehensive income		-	848,820	848,820
Transfer (to)/from Reserves	11	(311,144)	311,144	-
Equity as at 30 June 2022		2,727,801	13,422,529	16,150,329

Motor Neurone Disease Association of Victoria
Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Cash from operating activities			
Receipts from donations and fundraising		2,911,803	4,818,511
Receipts from grants and services		4,211,593	4,219,721
Payments to suppliers and employees		(6,997,546)	(6,135,712)
Interest / dividends received		551,769	378,696
		<u>677,619</u>	<u>3,281,216</u>
 Cash flows from investing activities			
Proceeds from sale of plant and equipment		75,092	94,350
Acquisition of property, plant and equipment	8(a)	(503,387)	(903,460)
(Acquisition) / Disposal of financial assets		(1,215,402)	(878,674)
		<u>(1,643,697)</u>	<u>(1,687,784)</u>
 Net increase (decrease) in cash held		(966,078)	1,593,432
Cash and cash equivalents at beginning of year		4,699,960	3,106,528
Cash at end of financial year	5	<u><u>3,733,882</u></u>	<u><u>4,699,960</u></u>

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the Year Ended 30 June 2023

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these standards and Interpretations did not have any significant impact on the financial performance of the entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, and the Associations Incorporation Reform Act 2021 and associated regulations.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

a) Cash and Cash Equivalents

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

b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the Year Ended 30 June 2023

c) Property, Plant and Equipment

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

Patient equipment

Patient equipment measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of patient equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over their useful lives 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 depreciation rates used for each class of depreciable assets are:

- Buildings 2.5%
- Patient and Office and Equipment 17%
- Furniture, Fixtures and Fittings 13-17%
- Motor Vehicles 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

d) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the Year Ended 30 June 2023

e) Revenue and other income

The Association recognises revenue as follows:

Revenue is recognised either under AASB15 or AASB1058.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the company have any significant financing terms. AASB 1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are delivered. Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. All revenue is stated net of the amount of goods and services tax (GST).

f) 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components 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.

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the Year Ended 30 June 2023

g) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

h) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the Year Ended 30 June 2023

i) Donation to MND Care Foundation

Donations made by the way of bequests are held in the MND Care Foundation Reserve, unless instructed otherwise by the Estate. The Association has dedicated bank and investment accounts allocated for the MND Care Foundation, which enables these revenues to be recorded separately from other funds of the Association.

j) Comparative Figures

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

k) Trade and Other Payables

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

l) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
2. Income			
Operating activities			
Operating grants	2(a)	1,740,894	2,057,152
Client Coordination of Support		935,798	806,356
Client Equipment		1,029,368	1,356,066
Fundraising and donations		2,911,803	4,818,511
Other revenue		2,081	2,614
		6,619,944	9,040,699
Other Income			
Interest / dividends received		551,769	378,696
Other grants		-	-
		551,769	378,696
Total Income		7,171,713	9,419,395

2a.

Operating grants reflects grants received from the Department of Health and Human Services (State) and the Department of Health (Commonwealth)

3. Surplus for the Year

a. Expenses

Surplus from ordinary activities before income tax expenses has been determined after:

- Depreciation of non-current assets	418,804	368,192
- Research grants	362,894	253,276
- Pathways to palliative care	172,072	211,028
- Remuneration of auditor for audit services	19,000	18,000
- Remuneration of auditor for other services	-	300

4. Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the association during the year as follows:

Key management personnel compensation	388,105	377,431
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5. Cash and Cash Equivalents

Operational cash at bank	926,770	842,295
Term deposits and cash management investments	2,807,112	3,857,665
	3,733,882	4,699,960

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
6. Other Assets			
Accrued income		-	-
Prepayments		96,333	64,799
		<u>96,333</u>	<u>64,799</u>
7. Financial Assets			
Shares in listed corporations at market value		1,457,530	1,457,530
Other financial assets at market value		8,530,643	6,973,967
Total at Fair Value through other comprehensive income		<u>9,988,173</u>	<u>8,431,497</u>
8. Property Plant and Equipment			
LAND AND BUILDINGS			
Land and Buildings			
At fair value		2,207,803	1,845,508
Less accumulated depreciation		-	(102,757)
Total land and buildings		<u>2,207,803</u>	<u>1,742,751</u>
PLANT AND EQUIPMENT			
Patient equipment			
At cost		1,723,853	1,683,085
Less accumulated depreciation		(591,211)	(484,978)
Total patient equipment		<u>1,132,642</u>	<u>1,198,107</u>
Furniture, fixtures and fittings			
At cost		27,424	23,910
Less accumulated depreciation		(10,944)	(9,501)
Total furniture, fixtures and fittings		<u>16,481</u>	<u>14,409</u>
MOTOR VEHICLES			
At cost		539,072	448,625
Less accumulated depreciation		(122,887)	(99,843)
Total motor vehicles		<u>416,186</u>	<u>348,782</u>
OFFICE EQUIPMENT			
At cost		116,022	105,745
Less accumulated depreciation		(36,720)	(27,932)
Total office equipment		<u>79,301</u>	<u>77,813</u>
Total property, plant and equipment		<u>3,852,413</u>	<u>3,381,862</u>

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the year ended 30 June 2023

(a) Movements in Carrying Amounts

	Land and Buildings	Patient Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2022	1,742,751	1,198,107	14,409	348,782	77,813	3,381,862
Additions	-	288,077	6,600	179,657	29,053	503,387
Revaluations	490,500	-	-	-	-	490,500
Disposals	-	(59,811)	(1,216)	(37,045)	(6,460)	(104,532)
Depreciation expense	(25,448)	(293,731)	(3,312)	(75,208)	(21,105)	(418,804)
Carrying amount at 30 June 2023	2,207,803	1,132,642	16,481	416,186	79,302	3,852,413

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in April 2023 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

	2023	2022
Note	\$	\$
9. Trade and Other Payables		
CURRENT		
Trade payables	312,772	94,365
Accrued expenses	97,363	132,392
Income received in advance	891,460	248,555
	1,301,595	475,312

10. Employee Entitlements

CURRENT		
Annual leave	308,978	396,587
Long service leave	89,984	87,670
	398,961	484,257
NON-CURRENT		
Long service leave	8,054	8,054
	407,016	492,311

11. Revaluation and Other Reserves

Capital Acquisition Reserve	83,175	83,175
Financial Asset Reserve	1,058,638	700,318
Revaluation Surplus Reserve	1,420,372	929,872
Care Foundation Reserve	8,707,520	8,328,383
Ella Whaley Research Fund	2,152,824	2,220,818
	13,422,529	12,262,566

Motor Neurone Disease Association of Victoria
Notes to the Financial Statements
For the Year Ended 30 June 2023

11. Revaluation and Other Reserves (continued)

Capital Acquisitions Reserve

The Capital Acquisitions Reserve records funds set aside for capital purchases in the future.

Financial Asset Reserve

The Financial Asset Reserve records revaluation of financial assets.

Revaluation Surplus Reserve

The Revaluation Surplus Reserve records the valuation surplus on property, plant and equipment.

Care Foundation Reserve

The Care Foundation Reserve records the valuation of cash and investments bequeathed to the Association. The purpose of the Care Foundation is to provide the Association with an ongoing investment income revenue stream to support its mission.

Ella Whaley Research Fund Reserve

The Ella Whaley Research Fund Reserve records the value of the bequest made by the Estate of Ella Whaley. The purpose of the Ella Whaley Research Fund is to provide for future in-house research projects in accordance with the wishes of the Estate.

12. Events after the Balance Sheet Date

Since the end of the financial year no significant events have occurred to warrant disclosure in the 2023 financial statements.

13. Association Details

The principal place of business of the Association is:

Motor Neurone Disease Association of Victoria Inc.
265 Canterbury Road
CANTERBURY VIC 3126

Motor Neurone Disease Association of Victoria
True and fair certification by members of State Council
For the Year Ended 30 June 2023

In the opinion of State Council the financial report as set out on pages 1 to 13:

- The attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012 and associated regulations;
- The attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the State Council and is signed for and on behalf of State Council by:



David Lamperd
President



Jeremy Urbach
Treasurer

Dated: Melbourne, 18 September 2023

Motor Neurone Disease Association of Victoria Inc Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial report of Motor Neurone Disease Association of Victoria Inc. (the Association), which comprises the statement of financial position as at 30 June 2023, 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, and notes to the financial statements, including a summary of significant accounting policies, and State Council's declaration.

In our opinion the financial report of Motor Neurone Disease Association of Victoria Inc. has been prepared in accordance with the Associations Incorporation Reform Act 2012, including:

- a. giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards – Simplified Disclosures.

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

Other Information

The State Council are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2023, 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 State Council and Those Charged with Governance for the Financial Report

The council 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 – Simplified Disclosures and the Associations Incorporations Reform Act 2012 and for such internal control as state council 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 council 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 council either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The State Council are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by state council.

- Conclude on the appropriateness of the state councils 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 the state council 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.


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136


C. L. Sweeney
Director
Melbourne, 18 September 2023