

ANGLICAN YOUTH DEPARTMENT
DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS
SOUTHERN CROSS ALPINE LODGE
ABN 44 000 407 349
FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2019

	Page
Directors' Statutory Report	2-3
Statement of Comprehensive Income	4
Statement of Financial Position (Balance Sheet)	5
Statement of Changes in Equity	6
Statement of Cash Flows	6
Notes to the Financial Report	
1. Statement of significant accounting policies	7-8
2. Operating funds	8
3. Capital development contribution fund	8
4. Receivables	9
5. Prepayments	9
6. Members' guarantee	9
7. Membership fees	9
8. Non-current assets	10
9. Current liabilities	11
10. Income in advance	11
11. Accommodation fees	11
12. Related persons transactions	11
13. Remuneration of auditors	11
14. Expenses reclassified as cleaning	11
15. Electricity, gas and water rates expenses	11
Directors' Declaration	12
Auditor's Independence Declaration	13
Audit Report	14-16

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

DIRECTORS' STATUTORY REPORT

Your directors have pleasure in presenting their report made in accordance with a resolution of directors, for the year ended 31 December 2019 together with the annual financial report of the company.

The principal activity of the company during the financial year was Christian ministry, including accommodation, operating from an alpine lodge at Smiggin Holes, in accordance with the company's Aims and Objectives as set out in the company's Memorandum of Association and the company's website. There was no significant change in the company's activities during the financial year.

The 2019 financial year surplus was \$7,162 compared to \$3,976 deficit in 2018.
2019 net of GST \$173,516 accommodation income increased 5.8% from \$163,985 in 2018.
2019 net of GST \$12,508 membership fees compared to \$14,092 in 2018.

Cash provided by 2019 operations was a net inflow of \$51,714 compared with a net inflow of \$42,692 for 2018.

The 31 December 2019 Cash Balance LESS Total Liabilities was \$102,736 compared with \$61,795 at 31 December 2018.

The value of assets at 31 December 2019 were \$529,715 compared with \$512,839 at 31 December 2018.

Refer to Notes 8 and 9 regarding Lease Premiums and unexpended Insurance Claim money.

As at 6 April 2020, due to COVID-19, there is a significant risk that the 2020 snow season will be significantly curtailed, or even cancelled, in which case Southern Cross's operations would also be significantly curtailed, with the lodge maybe not able to open for the 2020 snow season. As at 31 March 2020, Southern Cross unaudited accounts show a Cash Balance LESS Total Liabilities of over \$105,000 which is sufficient to cover fixed expenses until at least March 2021. Southern Cross directors are carefully monitoring this situation.

No other matter has arisen that has or may significantly affect operations of the company, the result of those operations or the state of affairs of the company in subsequent financial years.

The company will continue its current activities. Property improvements and renovations continue to be carried out, subject to cash flow availability.

The company's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a state or territory.

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**DIRECTORS' STATUTORY REPORT
(continued)**

The directors in office at the date of this report with their attendances at directors' meetings noted in parentheses (maximum 9) are:-

Elected by Anglican Youth Department Council:

Graham Morrison	(9)	Educator/Chaplain and Chairman of the Board.
Brian Gaetjens	(9)	Actuary (retired) & Southern Cross Booking Officer.
Steve Thompson	(5)	Contractor Property Maintenance.

Elected by members:

Ann Collins	(8)	Project Manager/Administration.
Stephen Hutchinson	(3)	Sales and Marketing Executive.
Bev Cassin	(8)	Community Adult Educator
Peter Matthews	(9)	Marketing Director.

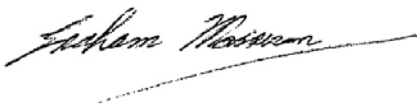
Since 1 January 2019, no director of the company has received, or become entitled to receive, a benefit (other than remuneration benefit included in the financial report) because of a contract that a director, a firm of which a director is a member, or an entity in which a director has a substantial financial interest, has made with a company, or an entity that the company controlled, or a body corporate that was related to the company, when the contract was made or when a director received or become entitled to receive, the benefit.

During the year, the company insured all directors for liability, including costs and expenses that may be incurred in defending legal proceedings that may be brought against them in their capacity as directors.

A copy of the Auditors Independence Declaration as required under section 307C of the Corporations Act 2001 is set out as part of this report.

Auditor

RJW Associates continues in office in accordance with Section 327 of the Corporations Act 2001.



**GRAHAM MORRISON
CHAIRMAN**

SYDNEY, 6 April 2020

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**INCOME STATEMENT
PERIOD ENDED 31 DECEMBER 2019**

	NOTES	Dec 2019	Dec 2018
REVENUE		\$	\$
Accommodation fees	11	173,516	163,985
Membership fees	7	12,508	14,092
Interest received		951	1,258
Other		1,184	2,013
Total Revenue from Ordinary Activities		188,159	181,348
EXPENSES			
Administration Expenses	12	6,500	6,500
Advertising		2,297	2,682
Affiliation Fees		1,293	1,024
Audit fees	13	2,650	2,600
Bank charges		532	503
Catering and Consumables		27,640	25,316
Cleaning	14	7,405	6,325
Depreciation and Lease Amortisation		36,322	34,859
Electricity	15	7,084	9,341
Gas	15	4,495	4,546
Equipment and Appliances (< \$1,000)		1,696	649
General and legal		-	870
Insurance		16,101	17,894
Miscellaneous and Sundry Expenses		215	1,632
Office Supplies & Postage		280	237
NPWS Rent		20,101	19,713
NPWS Community services and rates	15	14,256	13,832
NPWS Water & Sewerage Rates	15	7,916	12,158
Repairs and maintenance		2,819	6,237
Salaries	14	15,872	13,258
Superannuation	14	1,508	1,241
Telephone		894	1,353
Internet		140	-
Software Licence & Web Fees		855	213
Travel & Cartage		1,952	2,198
Workers Compensation Insurance	14	174	143
Total Expenses from Ordinary Activities		180,997	185,324
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			
BEFORE INCOME TAX EXPENSE		7,162	(3,976)
Income tax expense		-	-
PROFIT/(LOSS) FOR THE YEAR		7,162	(3,976)

(THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES)

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	NOTES	Dec 2019	Dec 2018
		\$	\$
CURRENT ASSETS			
Cash assets		142,393	96,506
Receivables	4	921	1,498
Prepayments	5	23,965	26,673
Total current assets		167,279	124,677
NON-CURRENT ASSETS			
Investments		-	-
Buildings and improvements	8	342,040	362,184
Plant and equipment	8	20,396	25,978
Total non-current assets		362,436	388,162
TOTAL ASSETS		529,715	512,839
CURRENT LIABILITIES			
Trade and other payables	9	35,351	32,320
Advance income	10	4,306	2,391
TOTAL LIABILITIES		39,657	34,711
NET ASSETS		490,058	478,128
EQUITY			
Retained Earnings		490,058	478,128
TOTAL EQUITY		490,058	478,128

(THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES)

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 DECEMBER 2019**

	NOTES	Dec 2019	Dec 2018
		\$	\$
Accumulated funds at beginning of year	2	156,797	160,773
Capital contribution	3	326,099	321,331
Operating profit/(loss)		7,162	(3,976)
Equity at the end of the year		<u>490,058</u>	<u>478,128</u>

(THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES)

**STATEMENT OF CASH FLOWS
PERIOD ENDED 31 DECEMBER 2019**

	Dec 2019	Dec 2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from accommodation, membership and other debtors	190,651	184,101
Payments to suppliers and employees	(138,936)	(141,409)
Rounding correction	(1)	-
Net cash inflow from operating activities	<u>51,714</u>	<u>42,692</u>
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES		
(Increase)/Decrease of investment funds	-	-
Payments for property, plant and equipment	(10,595)	(8,514)
Proceeds from sale of PBS memberships	4,768	5,250
Net cash outflow from financing and investing activities	<u>(5,827)</u>	<u>(3,264)</u>
NET INCREASE (DECREASE) IN CASH HELD	45,887	39,428
Cash at the beginning of the reporting period	96,506	57,078
CASH AT THE END OF THE REPORTING PERIOD	<u>142,393</u>	<u>96,506</u>
Total Liabilities at end of the reporting period	39,657	34,711
CASH less LIABILITIES at the end of the reporting period	<u>102,736</u>	<u>61,795</u>
RECONCILIATION OF SURPLUS TO NET CASH PROVIDED BY OPERATIONS		
Net Surplus (Deficit) for the year	7,162	(3,976)
Add back depreciation	36,322	34,859
Rounding correction	(1)	1
DECREASES (INCREASES) IN WORKING CAPITAL:		
Decrease (Increase) in prepayments	2,708	(2,641)
Increase (Decrease) in accounts payable	3,031	11,696
Increase (Decrease) in advance fees	1,915	785
Decrease (Increase) in receivables	577	1,968
Net cash inflow from operating activities	<u>51,714</u>	<u>42,692</u>

(THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES)

ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE
ABN 44 000 407 349
NOTES TO THE FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Reporting

The directors have prepared the financial statements on the basis that the company is not a reporting entity because there are no users who are dependent on its 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 Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous years unless stated otherwise.

The financial statements are prepared on an accrual basis and in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of previous years.

(b) Capital Development Contribution Fund

Membership levies and new members' entrance fees are treated as capital contributions towards the existing alpine lodge facilities and the refurbishment of these facilities. They are not included as revenue from ordinary activities, but are added directly to Capital Development Contribution Fund. Where non-recurring special facility fees are levied by the Southern Cross lodge lessor they are taken from the fund. This policy may be considered a departure from all-inclusive concept of revenue recognition. However, the directors believe that their accounting policy is the most appropriate for Southern Cross.

(c) Non-Current Assets

Non-current assets are measured at the acquisition date and at cost.

(d) Depreciation of Non-Current Assets

Buildings, lease renewal premiums, improvements, plant and equipment are depreciated on a straight-line basis so as to allocate their net cost against income over their estimated useful lives.

(e) Donated Services

Donated services are not brought to account, as no objective basis is available to determine their value.

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**NOTES TO THE FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2019
(continued)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue Recognition

All revenue is recognised as receivables at the time of invoicing, except for membership fees (see Note 7 for more details). Collectability of receivables is reviewed on an ongoing basis.

(g) Payables

Payables represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within thirty days of recognition.

(h) Income Tax

From February 2007, the Company has been subject to income tax on non-member income.

(i) Application of AASB1: Adoption of Australian Equivalents of International Financial Reporting Standards ("AIFRS")

The financial report has been prepared in accordance with AIFRS. AASB 1: Adoption of Australian Equivalents to International Financial Reporting Standards ("AASB 1") has been applied in preparing this financial report.

2. OPERATING FUNDS

	Dec 2019	Dec 2018
	\$	\$
Accumulated funds at beginning of year	156,797	160,773
Profit/(loss) for the year	7,162	(3,976)
	<u>163,959</u>	<u>156,797</u>

3. CAPITAL DEVELOPMENT CONTRIBUTION FUND

Balance at commencement	321,331	316,081
PBS membership purchases	4,768	5,250
	<u>326,099</u>	<u>321,331</u>

This fund represents the total of special member contributions for the improvement of the Smiggin Holes lodge.

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**NOTES TO THE FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2019
(Continued)**

4. RECEIVABLES	Dec 2019	Dec 2018
Accommodation Fees owing	755	1,332
Capital Levy payments	125	125
Membership Fees (see Note 7)	-	-
Accrued Interest on Outstanding Levies	41	41
Others	-	-
	<u>921</u>	<u>1,498</u>

5. PREPAYMENTS

Rental, MSU, Water & Sewerage - NPWS	19,871	16,647
Insurance Premiums	4,094	10,026
	<u>23,965</u>	<u>26,673</u>

6. MEMBERS' GUARANTEE

The Company is a non-profit company limited by guarantee whereby each member guarantees to contribute an amount of \$10 in the event of winding up. From February 2007, the company has been subject to income tax on non-member income.

7. MEMBERSHIP FEES

Company member annual membership fees are payable in terms of the company's Article of Association. If unpaid, then company membership lapses. Directors' policy is that if the membership lapses of a company member who is also a member of the PBS (Preferential Booking System), then to reinstate the company membership, fee arrears must be paid to date. Also if PBS members transfer their PBS participation(s) to another member, then membership fee arrears are deducted from the transfer price and paid to the company.

Thus, directors' policy is to only bring membership fees to account as they are paid.

At 31 December 2019, the membership fees in arrears (not recorded in the balance sheet) that are receivable in the future are \$11,226 (net of GST) compared with \$11,193 (net of GST) at 31 December 2018.

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**NOTES TO THE FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2019
(Continued)**

8. NON-CURRENT ASSETS

	Cost Value	Accumulated Depreciation	Written Down Value
31 December 2019	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	720,758	420,735	300,023
NPWS Lease Extensions	103,605	61,588	42,017
Plant & Equipment	151,028	130,632	20,396
TOTAL	975,391	612,955	362,436
2019 Asset Purchases & 2019 Depreciation	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	6,341	21,503	(15,162)
NPWS Lease Extensions	-	4,982	(4,982)
Plant & Equipment	4,254	9,836	(5,582)
TOTAL	10,595	36,321	(25,726)
2019 Write-Offs & Lease Reclassification	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	(37,159)	(31,411)	(5,748)
NPWS Lease Extensions	19,290	13,542	5,748
Plant & Equipment	(42,139)	(42,139)	-
TOTAL	(60,008)	(60,008)	0
31 December 2018	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	751,576	430,643	320,933
NPWS Lease Extensions	84,315	43,064	41,251
Plant & Equipment	188,913	162,935	25,978
TOTAL	1,024,804	636,642	388,162

The Southern Cross Alpine Lodge building is on leasehold property at Smiggin Holes. Effective 1 January 1998 the lease was extended for 30 years. Effective 1 July 2008, the company accepted a replacement lease for 20 years, plus a further 30 year option, including an increase in bed numbers from 20 to 25. The terms of both leases included lease premiums. Including legal fees, the net of GST amounts of \$19,290 and \$84,315 are included in the above Non-Current Assets and are being depreciated over their lifetime. Until 31 December 2019, the \$19,290 was included in Buildings & Improvements.

Effective 1 January 2019, an audit of Non-Current Assets was conducted. This audit identified a number of assets which had expired (all had zero depreciated values), and so these expired assets were written off. Note that assets which still exist, even if zero depreciated value, are not written off.

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

**NOTES TO THE FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2019
(Continued)**

9. CURRENT LIABILITIES

	Dec 2019	Dec 2018
	\$	\$
Amount payable to Anglican Youthworks	6,496	20,504
Trade & other creditors	22,687	5,648
Provision for repairs from insurance claim *	6,168	6,168
	<u>35,351</u>	<u>32,320</u>

* In June 2012, the company received a water damage insurance claim money of \$16,091, of which \$9,923 was spent and the remaining \$6,168 to be spent on future repairs.

10. INCOME IN ADVANCE

Accommodation Fees Paid In Advance	370	2,391
Membership Fees Paid In Advance	3,936	-
TOTAL	<u>4,306</u>	<u>2,391</u>

11. ACCOMMODATION FEES

Accommodation Jan & Feb	573	314
Accommodation Mar to May	-	-
Accommodation Jun to Oct	162,603	158,092
Accommodation Nov & Dec	5,766	3,055
Accommodation Self Cater	4,574	2,524
TOTAL	<u>173,516</u>	<u>163,985</u>

12. RELATED PERSONS TRANSACTIONS

Administration fees - Anglican Youthworks	<u>6,500</u>	<u>6,500</u>
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13. REMUNERATION OF AUDITORS

For Auditing the Accounts		
The Auditor received no other benefits	<u>2,650</u>	<u>2,600</u>

14. EXPENSES RECLASSIFIED AS CLEANING

During 2019 some cleaning was performed by contract cleaners and some by salaried employees. Although those salaried employees were paid salaries and superannuation, and were included in workers' compensation premium calculations, all those costs have been reclassified into the cleaning cost for annual reporting purposes.

15. ELECTRICITY, GAS AND WATER RATES EXPENSES

The following describes the timing of accounting for some costs, which affects comparisons between 2018 and 2019. Electricity, gas and water rates have been split into separate reporting accounts from 2018. January to June 2019 fixed water/sewerage rates were included in 2018 reporting and so not in 2019 reporting. November 2018 to December 2019 water/sewerage usage was all included in 2019 reporting. Manual electricity, gas and water meter readings were taken at end of 2019 and estimated accrual costs were included in 2019 reporting.

**ANGLICAN YOUTH DEPARTMENT DIOCESE OF SYDNEY
SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

ABN 44 000 407 349

DIRECTORS' DECLARATION AS AT 31 DECEMBER 2019

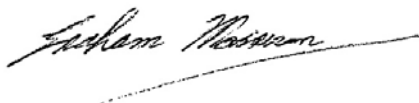
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In accordance with a resolution of the directors of the **Anglican Youth Department Diocese of Sydney Ski Lodge Limited**, the directors declare that:

- 1) The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. Comply with the Accounting Standards applicable to the company; and
 - b. Give a true and fair view of the financial position as at 31 December 2019 and of the performance of the company for the year ended on that date of the company in accordance with the accounting policies described in Note 1 of the financial statements.
- 2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors.

On behalf of the board



**GRAHAM MORRISON
CHAIRMAN**

SYDNEY, 6 April 2020



RJW ASSOCIATES

ACCOUNTANTS, TAX AGENTS & REGISTERED COMPANY AUDITORS

"Liability Limited by a Scheme, approved under Professional Standards Legislation"



AUDITOR'S INDEPENDENCE DECLARATION

**Under Section 307C of The Corporations Act 2001 and
Under Section 60-40 of The Australian Charities and Not For
Profits Commission Act 2012**

**TO THE DIRECTORS OF ANGLICAN YOUTH DEPARTMENT
DIOCESE OF SYDNEY SKI LODGE LIMITED
TRADING AS SOUTHERN CROSS ALPINE LODGE**

As auditor of **Anglican Youth Department Diocese of Sydney Ski Lodge Limited** trading as **Southern Cross Alpine Lodge** for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* and *The Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

**RJW Associates
Joseph Chouefaty**

Registered Company Auditor 309613

**Parramatta
06 April, 2020**

This statement forms part of the directors' report - year ended 31 December 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
Anglican Youth Department Diocese of Sydney Ski Lodge Limited
Trading as Southern Cross Alpine Lodge

Report on the Audit of the Financial Report **Opinion**

We have audited the accompanying financial report, being a special purpose financial report, of The **Anglican Youth Department Diocese of Sydney Ski Lodge Limited trading as Southern Cross Alpine Lodge**, which comprises the **Statement of Financial Position** as at **31 December 2019**, the **Statement of 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 **Directors' Declaration**.

In our opinion, the accompanying financial report of The **Anglican Youth Department Diocese of Sydney Ski Lodge Limited trading as Southern Cross Alpine Lodge Limited** has been prepared in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1, and Div 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ACNC Act 2012, 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.

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Emphasis of Matter – Basis of Accounting

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 registered entity's 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.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or 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.

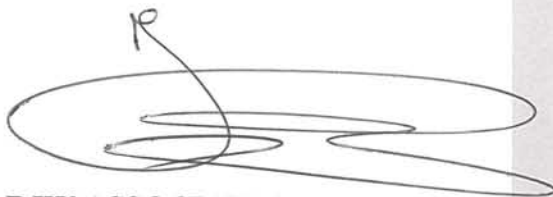
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 registered entity's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.



**RJW ASSOCIATES
JOSEPH CHOUEIFATY**

REGISTERED COMPANY AUDITOR 309613

**PARRAMATTA
07 APRIL 2020**