

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 2022

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**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 2022 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, other than per the result of COVID-19 issues as discussed below.

When your directors presented the 2021 financial report, we were planning for virtually full 2022 snow season occupancy. Despite some minor hiccups, there was indeed a significant turnaround in 2022 results compared to both 2020 and 2021 results. As at 21 April 2023, we continue to plan for virtually full 2023 snow season occupancy. However, there remain various COVID-19 risks that could again affect 2023 operations.

2022 net of GST \$222,798 accommodation income was nearly three times the \$77,411 in 2021, and the 2022 financial year surplus was \$44,019 compared to the \$37,186 deficit in 2021.

2022 net of GST \$16,083 membership fees compared to \$11,389 in 2021, reflecting in part the payment of some of the previously unpaid membership fees (also see Note 7).

As at 31 March 2023, Southern Cross unaudited accounts show a Cash Balance LESS Total Liabilities which are more than sufficient to cover expected fixed expenses until at least 31 December 2023. Southern Cross directors continue to carefully monitor this situation.

Per Note 5, the accounts allow for 2020 to 2022 COVID-19 NPWS offered rent rebates. These offered rent rebates are still under negotiation, and any further rebates will be included in future years' accounts. Per Note 12, Southern Cross successfully obtained NSW government COVID-19 grants of \$22,000 in 2021 and \$1,000 in 2022. Southern Cross was not otherwise eligible for any other COVID-19 government grants.

Cash provided by 2022 operations was a net inflow of \$5,732 compared with a net inflow of \$91,605 for 2021. However, liabilities also decreased during 2022, such that the 31 December 2022 Cash Balance LESS Total Liabilities was \$116,105 compared with \$31,331 at 31 December 2021, reflecting a significant recovery from the effects of COVID-19.

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

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 maintenance continues, with any significant improvements and renovations, which are usually funded out of cash flow, suspended until Southern Cross's reserve position is repaired following ongoing COVID-19 issues.

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 between 1 January 2022 and the 21 April 2023 date of this report, with their attendances at directors' 2022 meetings noted in parentheses (maximum 7) are:-

Elected by Anglican Youth Department Council:

Graham Morrison	(7)	Educator/Chaplain and Chairman of the Board
Brian Gaetjens	(7)	Actuary (retired) & Southern Cross Booking Coordinator
Steve Thompson	(3)	Contractor (retired)

Elected by members:

Ann Collins	(6)	Project Manager/Administration
Debbie Jarman	(6)	Pharmacist
Jarrod Denny	(5)	Builder
Stephen Hutchinson	* (1)	Sales and Marketing Executive (retired)

* Stephen Hutchinson resigned as a director in January 2022

Jeremy Freeman	* (5/5)	Company Secretary
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* Jeremy Freeman was appointed in March 2022 to replace Stephen Hutchinson

Since 1 January 2022, 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 Auditor's 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, 21 April 2023

**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 2022**

	NOTES	Dec 2022	Dec 2021
REVENUE		\$	\$
Membership fees	7	16,083	11,389
Accommodation fees	11	222,798	77,411
Interest received		1,772	132
Government grants	12	1,000	22,000
Other		4,799	2,044
Total Revenue from Ordinary Activities		246,452	112,976
EXPENSES			
Administration Expenses	13	6,500	6,500
Advertising		1,867	2,180
Affiliation Fees		1,335	1,071
Audit fees	14	2,650	2,650
Bank charges		16	(295)
Catering and Consumables		29,780	15,191
Cleaning	15	6,571	2,682
Depreciation and Lease Amortisation		50,300	32,797
Electricity	16	6,493	4,394
Gas	16	5,106	3,019
Equipment and Appliances (< \$1,000)		550	241
General and legal		-	-
Insurance	5	21,557	17,324
Miscellaneous and Sundry Expenses		1,139	717
Office Supplies & Postage		13	28
NPWS Rent	5	17,668	19,886
NPWS Community services and rates	16	16,580	15,562
NPWS Water & Sewerage Rates	16	11,663	8,918
Repairs and maintenance		3,188	7,350
Salaries	15	14,364	7,520
Superannuation	15	1,508	752
Telephone		391	437
Internet		-	-
Software Licence & Web Fees		927	846
Travel & Cartage		2,123	338
Workers Compensation Insurance	15	144	54
Total Expenses from Ordinary Activities		202,433	150,162
SURPLUS/(DEFICIENCY) FROM CONTINUING OPERATIONS			
BEFORE INCOME TAX EXPENSE		44,019	(37,186)
Income tax expense		-	-
SURPLUS/(DEFICIENCY) FOR THE YEAR		44,019	(37,186)

(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 2022

	NOTES	Dec 2022 \$	Dec 2021 \$
CURRENT ASSETS			
Cash assets		186,373	182,436
Receivables	4	1,453	1,564
Prepayments	5	36,326	28,465
Total current assets		<u>224,152</u>	<u>212,465</u>
NON-CURRENT ASSETS			
Investments		-	-
Fixed Assets	8	268,406	316,911
Total non-current assets		<u>268,406</u>	<u>316,911</u>
TOTAL ASSETS		<u>492,558</u>	<u>529,376</u>
CURRENT LIABILITIES			
Trade and other payables	9	63,630	145,729
Advance income	10	6,638	5,376
TOTAL LIABILITIES		<u>70,268</u>	<u>151,105</u>
NET ASSETS		<u>422,290</u>	<u>378,271</u>
EQUITY			
Retained Earnings		422,290	378,271
TOTAL EQUITY		<u>422,290</u>	<u>378,271</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

**STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 DECEMBER 2022**

	NOTES	Dec 2022	Dec 2021
		\$	\$
Accumulated funds at beginning of year	2	52,172	89,358
Capital contribution	3	326,099	326,099
Operating surplus/(deficiency)		44,019	(37,186)
Equity at the end of the year		<u>422,290</u>	<u>378,271</u>

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

**STATEMENT OF CASH FLOWS
PERIOD ENDED 31 DECEMBER 2022**

	Dec 2022	Dec 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from accommodation, membership and other debtors	247,825	116,989
Payments to members, guests, suppliers and employees	(242,093)	(25,384)
Rounding correction	-	-
Net cash inflow (outflow) from operating activities	<u>5,732</u>	<u>91,605</u>
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES		
(Increase)/Decrease of investment funds	-	-
Payments for property, plant and equipment	(1,795)	(6,303)
Proceeds from sale of PBS memberships	-	-
Net cash outflow from financing and investing activities	<u>(1,795)</u>	<u>(6,303)</u>
NET INCREASE (DECREASE) IN CASH HELD	3,937	85,302
Cash at the beginning of the reporting period	182,436	97,134
CASH AT THE END OF THE REPORTING PERIOD	<u>186,373</u>	<u>182,436</u>
Total Liabilities at end of the reporting period	70,268	151,105
CASH less LIABILITIES at the end of the reporting period	<u>116,105</u>	<u>31,331</u>
RECONCILIATION OF SURPLUS TO NET CASH PROVIDED BY OPERATIONS		
Net Surplus (Deficit) for the year	44,019	(37,186)
Add back depreciation	50,300	32,797
DECREASES (INCREASES) IN WORKING CAPITAL:		
Decrease (Increase) in prepayments	(7,861)	(646)
Increase (Decrease) in accounts payable	(82,099)	92,627
Increase (Decrease) in advance fees	1,262	3,772
Decrease (Increase) in receivables	111	241
Net cash inflow (outflow) from operating activities	<u>5,732</u>	<u>91,605</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 2022**

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 2022
(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 2022	Dec 2021
	\$	\$
Accumulated funds at beginning of year	52,172	89,358
Surplus/(deficiency) for the year	44,019	(37,186)
Accumulated funds at end of year	<u>96,191</u>	<u>52,172</u>

3. CAPITAL DEVELOPMENT CONTRIBUTION FUND

Balance at beginning of year	326,099	326,099
PBS membership purchases from the Company **	-	-
PBS membership levies	-	-
Balance at end of year	<u>326,099</u>	<u>326,099</u>

** There are currently no PBS memberships available for purchase directly from the Company. The Company facilitates the transfer of PBS memberships from existing to new members, but this has no effect upon the Company's finances except for small transfer processing fee income.

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 2022
(Continued)**

4. RECEIVABLES	Dec 2022	Dec 2021
	\$	\$
Membership Fees (see Note 7)	-	-
Accommodation Fees owing	1,287	755
Capital Levy payments	125	125
Accrued Interest on Outstanding Levies	41	41
Other Receivables	-	643
	<u>1,453</u>	<u>1,564</u>

5. PREPAYMENTS

Rental, MSU, Water & Sewerage - NPWS	25,409	20,741
Insurance Premiums	10,918	7,724
	<u>36,327</u>	<u>28,465</u>

Note that Rent, MSU, Water & Sewerage charges to NPWS and insurances premiums are all payable for 12 months in advance about the middle of each calendar year, are initially held in a prepayment account, and then transferred to expenses each month.

As a result of COVID-19 restrictions, NPWS has offered Southern Cross \$7,082 and \$3,229 rent rebates for the periods March 2020 to January 2021 and July 2021 to March 2022 respectively. These offers are still under negotiation between Southern Cross and NPWS. The published rents for each of 2020, 2021 and 2022 of \$12,394, \$19,886 and \$17,668 are net of rebates of \$6,616, \$466 and \$3,229 respectively.

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 Articles 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 2022, the membership fees in arrears (not recorded in the balance sheet) that are receivable in the future are \$10,524 (net of GST) compared with \$13,728 (net of GST) at 31 December 2021.

**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 2022
(Continued)**

8. NON-CURRENT ASSETS	Cost Value	Accumulated Depreciation	Written Down Value
At 31 December 2022	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	735,316	504,620	230,696
NPWS Lease Extensions	103,605	76,421	27,184
Plant & Equipment	138,892	128,366	10,526
TOTAL	977,813	709,407	268,406
2022 Asset Purchases & Depreciation	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	-	40,668	(40,668)
NPWS Lease Extensions	-	4,945	(4,945)
Plant & Equipment	1,795	4,687	(2,892)
TOTAL	1,795	50,300	(48,505)
2022 Write-Offs	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	-	-	-
NPWS Lease Extensions	-	-	-
Plant & Equipment	-	-	-
TOTAL	-	-	-
At 31 December 2021	\$	\$	\$
Buildings & Improvements on			
Leasehold Land	735,316	463,952	271,364
NPWS Lease Extensions	103,605	71,476	32,129
Plant & Equipment	137,097	123,679	13,418
TOTAL	976,018	659,107	316,911

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.

**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 2022
(Continued)**

9. CURRENT LIABILITIES	Dec 2022	Dec 2021
	\$	\$
Amounts held from (refundable to) members and guests *	31,322	89,554
Amount payable to Anglican Youthworks	1,473	3,491
Trade & other creditors	24,667	46,516
Provision for repairs from insurance claim **	6,168	6,168
	<u>63,630</u>	<u>145,729</u>

* The "Amounts held" include amounts refundable from bookings cancelled due to COVID-19, amounts paid in advance of invoicing (eg next year membership fees) and other held overpayments.

** In June 2022, 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 *	6,638	5,376
	<u>6,638</u>	<u>5,376</u>

* Accommodation fees (net of GST) invoiced and paid in advance of accommodation periods

11. ACCOMMODATION FEES

Accommodation Jan & Feb	7,511	609
Accommodation Mar to May	-	2,233
Accommodation Jun to Oct	206,889	62,301
Accommodation Nov & Dec	749	4,513
Accommodation Self Cater	7,649	7,755
	<u>222,798</u>	<u>77,411</u>

12. GOVERNMENT GRANTS

	<u>1,000</u>	<u>22,000</u>
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This \$1,000 in 2022 (\$22,000 in 2021) are NSW Government COVID-19 grants

13. RELATED PERSONS TRANSACTIONS

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

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

15. EXPENSES RECLASSIFIED AS CLEANING

During both 2020 and 2021 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.

16. ELECTRICITY, GAS AND WATER RATES EXPENSES

Manual electricity, gas, and water meter readings have been taken (or closely estimated) at the end of each year since 2019, and so estimated accrual costs are calculated and now included in each year's reporting each calendar year's reporting, rather than including costs till the last invoiced amounts.

**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 2022

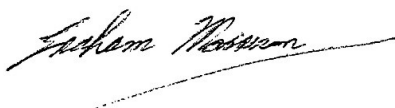
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

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 2022 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, 21 April 2023



AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of The Corporations Act 2001

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 2022**, 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* 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
21 April, 2023

This statement forms part of the directors' report - year ended 31 December 2022

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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 2022**, 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 the Corporations Act 2001 including:

- (i) Giving a true and fair view of the registered entity's financial position as at **31 December 2022** 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 Corporations Regulation 2001.

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 Corporations Act 2001, 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.

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 Corporations Act 2001. 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 Corporations Act 2001 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
21 APRIL 2023**

