2019

Financial Report

EPILEPSY QUEENSLAND INC.
ABN 42 025 269 961

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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epilepsy queensland inc

...bringing epilepsy out of the shadows

Contents

Your Board Members present their report on the association for the financial year ended 30 June 2019.

Board Members

The names of the board members in office at anytime during or since the end of the year are:

• Jane Vidler (retired: 7 October 2019)	• David Bunker	• Kos Sclavos (retired: 3 December 2018)
• Kim Davis	• Kristin Ramsey (retired: 3 December 2018)	• Andrew Barnes
• Charmaine Driver	• Katrina Tune	• Sam Bryce (appointed: 3 December 2018)

Members of the board have been in office since the start of the financial year to the date of this report unless otherwise stated.

The members of the board received no remuneration or retirement benefits during the course of the year.

Review of Operations

The surplus of the association for the financial year is $81,191 (2018: $93,937 deficit). A review of operations of the association during the year found that the association continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in the State of Affairs

No significant changes in the association's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the association during the financial year were to act as a non-profit association assisting people affected by the consequences of Epilepsy in Queensland.

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

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Likely Developments in Operations

The association is to continue receiving recurrent Queensland Health funding after 30 June 2019. Department of Communities, Disability Services and Seniors have committed to provide financial support to assist with the NDIS transition until 30 June 2020.

This directors' report is signed in accordance with a resolution of the board of directors:

Chairman		Dated this	28	Day of	october	2019
Secretary		Dated this	28	Day of	OCTOBER	2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
REVENUE			
Membership income		13,512	13,708
Trading activities		66,356	67,443
Donations and sponsorships		612,385	418,880
Education program income		83,635	74,818
Grant income		617,646	523,969
Interest income		5,234	5,593
Support services income		72,107	33,499
Other income		15,379	3,328
TOTAL REVENUE		**1,486,254**	**1,141,238**
EXPENSES			
Service expenses		(235,808)	(200,757)
Awareness and promotion costs		(30,098)	(27,069)
Depreciation expense		(10,984)	(10,359)
Employee expenses		(1,029,788)	(907,054)
Training expenses		(11,521)	(14,111)
Event and program expenses		(23,742)	(14,132)
Occupancy expenses		(27,765)	(30,639)
Trading expenses		(27,945)	(23,931)
Loss on sale of non-current asset		(172)	-
Other expenses		(7,240)	(7,123)
TOTAL EXPENSES		**(1,405,063)**	**(1,235,175)**
Surplus / (deficit) before income tax		**81,191**	**(93,937)**
Income tax expense	1(a)	-	-
Surplus/ (deficit) for the year		**81,191**	**(93,937)**

The accompanying notes form part of these financial statements.

ASSETS	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	2	892,527	677,955
Trade and other receivables	3	27,945	87,162
Inventories	4	16,885	17,154
Other assets	5	15,510	8,286
TOTAL CURRENT ASSETS		952,867	790,557
NON-CURRENT ASSETS			
Property, plant and equipment	6	31,743	32,820
Total non-current assets		31,743	32,820
TOTAL ASSETS		984,610	823,377
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	100,988	77,469
Income received in advance		320,057	286,687
Provisions	8	130,272	98,376
TOTAL CURRENT LIABILITIES		551,317	462,532
NON-CURRENT LIABILITIES			
Provisions	8	8,855	17,598
TOTAL NON-CURRENT LIABILITIES		8,855	17,598
TOTAL LIABILITIES		560,172	480,130
NET ASSETS		424,438	343,247
EQUITY			
Retained surplus		424,438	343,247
TOTAL EQUITY		424,438	343,247

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained Surplus $	Total $
Balance at 1 July 2017		437,184	437,184
Surplus / (deficit) for the year		(93,937)	(93,937)
Balance at 30 June 2018		**343,247**	**343,247**
Balance at 1 July 2018		343,247	343,247
Surplus / (deficit) for the year		81,191	81,191
Balance at 30 June 2019		**424,438**	**424,438**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		679,411	807,809
Donations and sponsorship received		732,841	397,462
Trading income		72,992	74,187
Interest received		5,234	5,593
Receipts from operations		203,096	137,888
Payments to suppliers and employees		(1,468,922)	(1,352,812)
Net cash provided by / (used in) operating activities	9	224,651	70,127
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(11,282)	(14,210)
Proceeds on disposal of property, plant and equipment		1,203	-
Net cash provided by / (used in) investing activities		(10,079)	(14,210)
Net increase / (decrease) in cash held		214,572	55,917
Cash at beginning of financial year		677,955	622,038
Cash at end of financial year	2	892,527	677,955

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

Epilepsy Queensland Inc. is an association, incorporated in Queensland, Australia.

Epilepsy Queensland Inc. applies Australian Accountings Standard – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Associations Incorporation Act 1981*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the association operates solely as a non-profit association established for community service purposes and accordingly is exempt from income tax under Section 50-45 of the *Income Tax Assessment Act 1997*.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

(i) Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

(ii) Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

(iii) Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approach to impairment, as applicable under AASB 9:

- the simplified approach.

(v) Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit losses at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss.

(vi) Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(d) 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.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

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

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Unexpended funds/grants

The association receives grant monies either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the association to treat grant monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

Capital Grants

Grant monies received for capital acquisitions are recorded as unexpended grants in the balance sheet and are recognised proportionally over the useful life of the asset.

(f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) 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.

(i) Revenue and Other Income

Donations are recognised as revenue when received.

Revenue from the sale of goods are recognised at the date of sale.

Grant income is recognised when the association gains control over the funds.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

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

(j) Trade and Other Receivables

Trade receivables are recognised for services provided which remain uncollected at the reporting date. Collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain 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) 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.

(m) Comparative Figures

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

(n) Critical Accounting Estimates and Judgments

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

(o) New Accounting Standards and Interpretations

Management has considered all standards and interpretations issued but not yet effective and do not believe that any will have a material impact on the financial report. No new standards and interpretations have been adopted.

Of the new and revised standards that became applicable for the first time in the current financial year, none have had a material impact on the financial report.

		Note	2019 $	2018 $
2.	CASH AND CASH EQUIVALENTS			
	Cash on hand		700	700
	Cash at bank		891,827	677,255
			892,527	677,955
3.	TRADE AND OTHER RECEIVABLES			
	CURRENT			
	Trade receivables			
	a) Ageing analysis of trade debtors			
	0 -30 days		16,448	51,337
	31 – 60 days		11,009	2,292
	61 – 90 days		-	5,561
	Over 90 days		488	2,536
			27,945	**61,726**
	Accrued debtors		-	25,436
			27,945	87,162
4.	INVENTORIES			
	CURRENT			
	Inventory held at lower of cost or net realisable value		16,885	17,154
			16,885	17,154
5.	OTHER ASSETS			
	Prepayments		15,510	8,286
			15,510	8,286

	Note	2019 $	2018 $
6. PROPERTY, PLANT AND EQUIPMENT			
FURNITURE, FITTINGS AND EQUIPMENT			
Furniture, fittings and equipment at cost		151,007	141,315
Accumulated depreciation		(119,264)	(108,495)
TOTAL FURNITURE, FITTINGS AND EQUIPMENT		31,743	32,820
TOTAL PROPERTY PLANT AND EQUIPMENT		31,743	32,820

Movement in the carrying amounts for each class of Property, Plant and Equipment between the beginning and the end of the current financial year:

		Furniture, fittings and equipment	Total
BALANCE AT 30 JUNE 2017		28,969	28,969
Additions		14,210	14,210
Depreciation expense		(10,359)	(10,359)
BALANCE AT 30 JUNE 2018		32,820	32,820
Additions		11,282	11,282
Disposals		(1,375)	(1,375)
Depreciation expense		(10,984)	(10,984)
BALANCE AT 30 JUNE 2019		31,743	31,743

7. TRADE AND OTHER PAYABLES			
Trade payables		16,729	12,188
Other payables		84,259	65,281
		100,988	77,469

		Note	2019 $	2018 $
8.	PROVISIONS			
	CURRENT			
	Employee benefits		130,272	98,376
	NON-CURRENT			
	Employee Benefits		8,855	17,598
9.	CASH FLOW INFORMATION			
	Reconciliation of cash flow from Operations with Profit after Income Tax			
	Surplus / deficit after income tax		81,191	(93,937)
	NON-CASH FLOWS IN SURPLUS/ (DEFICIT)			
	- Depreciation and amortisation		10,984	10,359
	- Net gains on disposal of plant and equipment		172	-
	CHANGES IN ASSETS AND LIABILITIES			
	Decrease/(Increase) in:			
	- Receivables		59,217	(63,306)
	- Other assets		(7,224)	12,957
	- Inventories		269	(963)
	Increase / (Decrease) in:			
	- Payables		23,519	200,516
	- Provisions		56,523	4,501
	CASH FLOW FROM OPERATIONS		224,651	70,127
10.	AUDITORS REMUNERATION			
	Remuneration of the auditor			
	- Auditing or reviewing the financial report		8,100	8,100

11. CONTINGENT LIABILITIES

The association has no contingent liabilities at the date of this report.

12. EVENTS AFTER THE BALANCE SHEET DATE

No material events occurred after balance date and to the date of this report requiring disclosure.

	Note	2019 $	2018 $
13. ECONOMIC DEPENDENCE			

The association is assisted in its activities by grants, including support from the Queensland Government. At the date of this report, the members of the board understand that Epilepsy Queensland Inc. will continue to receive recurrent funding from Queensland Health. Recurrent funding received from the Department of Communities, Child Safety and Disability Services ceased on 30 June 2019, however, the Department has committed to provide financial support to assist with the NDIS transition for a one year period. The association provides high quality services to the Queensland epilepsy community and continues to develop and maintain sustainable income streams to deliver these services independent of grant based funding.

14. GRANT SUMMARIES

	Note	2019 $	2018 $
Queensland Health Recurrent Expenditure			
Net amount unexpended brought forward		-	-
Grant monies received		250,712	244,299
Less expenditure		(250,712)	(244,299)
Net amount unexpended carried forward		-	-
Department of Communities Recurrent & Non Recurrent Expenditure			
Net amount unexpended brought forward		-	-
Grant monies received		254,329	255,246
Less expenditure		(254,329)	(255,246)
Net amount unexpended carried forward		-	-
Brisbane City Council Funding			
Net amount unexpended brought forward		-	-
Grant monies received		53,357	-
Less expenditure		(6,373)	-
Net amount unexpended carried forward		46,984	-
National Disability Insurance Scheme - Information Linkages and Capacity Building			
Net amount unexpended brought forward		231,739	-
Grant monies received		58,145	235,212
Less expenditure		(105,823)	(3,473)
Net amount unexpended carried forward		184,061	231,739
Gambling Community Benefit Fund			
Net amount unexpended brought forward		2,957	-
Grant monies received		26,852	14,153
Less expenditure		(10,912)	(11,196)

	Net amount unexpended carried forward	18,897	2,957
	Total Unexpended Grants	249,942	234,696

15. ASSOCIATION DETAILS

The registered office and principle place of business of the association is:

Epilepsy Queensland Inc.
Level 2, Gabba Towers
411 Vulture Street WOOLLOONGABBA QLD 4102

In the opinion of the board members the financial report:

1. Presents a true and fair view of the financial position of Epilepsy Queensland Inc as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Epilepsy Queensland Inc will be able to pay its debts as and when they fall due.

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

Chairman ____________ Secretary ____________

Signed on this 28 Day of OCTOBER 2019

PILOT PARTNERS
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

EPILEPSY QUEENSLAND INC.

OPINION

We have audited the financial report of Epilepsy Queensland Inc ("the Association"), which comprises the statement of financial position as at 30 June 2019, the statement of 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 the statement by the members of the Board.

In our opinion, the financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 1981*, including

- giving a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

BASIS 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 *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants* 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 Association's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 1981*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

Those charged with governance 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 2019, 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 MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL REPORT

Management is 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 the *Associations Incorporation Act 1981*. The Association's responsibility also includes such internal control as management determines 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, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Pilot Partners

PILOT PARTNERS
Chartered Accountants

CHRIS KING
Partner

Signed on 29 October 2019

Level 10
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Brisbane Qld 4000