
Access Arts Inc.

ABN 82 066 160 761

Final Financial Report - 31 October 2019

**Access Arts Inc.
Management committee members' report
31 October 2019**

The management committee members present their final report, together with the financial statements, on Access Arts Inc. (the association) for the 10 months ended 31 October 2019.

During the 2018 financial year the association entered into a Heads of Agreement (HOA) with CPL - Choice Passion Life (CPL). In terms of the HOA, CPL would, directly or through a wholly owned subsidiary, assume the operations of Access Arts Inc. At a Special General Meeting of members held on 10 April 2019, the members of Access Arts Inc. authorised the Management Committee to enter into an agreement to transfer the assets and liabilities of Access Arts Inc. to an association or fund established for the benefit of persons with a disability that meets the requirement of clause 48 of the Access Arts Inc. constitution. The business of Access Arts Inc. was transferred to Access Arts (CPL) Limited with effect from 1 April 2019 and consequently the statement of profit or loss and other comprehensive income represents 3 months trading by Access Arts Inc.

At a special general meeting of Access Arts Inc. (the association) held on 8 October 2019, the association's members resolved to wind up the association. Additionally, it was resolved that any surplus assets remaining after payment of all the association's debts and liabilities be transferred to Access Arts (CPL) Limited. At 31 October 2019, the association had paid all its debts and liabilities and had transferred its surplus assets to Access Arts (CPL) Limited. These financial statements have been prepared solely for the purposes of lodgement with the Office of Fair Trading (QLD) to enable a voluntary winding up of the association. Consequently, the Management Committee has determined that the going concern basis of preparation of the financial statements (as applied in previous years) is no longer appropriate. These financial statements have been prepared on a liquidation basis. Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value (net realisable value) and all assets and liabilities are classified as current. As the association has paid all its debts and liabilities, and transferred the net assets to Access Arts (CPL) Limited, there are no assets and liabilities recorded in the statement of financial position at 31 October 2019. Refer to note 1 to the financial statements for further details on the basis of preparation.

Officers

The following persons were officers of the incorporated association during the whole of the financial period and up to the date of this report, unless otherwise stated:

The Honourable Justice Thomas Bradley - President
Nicola Leahy - Treasurer
Lorelei Baum - Secretary (appointed 13 March 2019)
Elizabeth Crawford - former Secretary (resigned 13 March 2019)

Committee members

The following persons were committee members of the incorporated association during the whole of the financial period and up to the date of this report, unless otherwise stated:

The Honourable Justice Thomas Bradley
Nicola Leahy
Patrice McKay
Lorelei Baum
Weston Bruner
Adrian Morgan
Bree Hadley (appointed 13 March 2019)
Nigel Lavender (appointed 13 March 2019)
Elizabeth Crawford (resigned 13 March 2019)
Sam Nicolosi (resigned 13 March 2019)
Angela Tillmanns (resigned 31 July 2019)

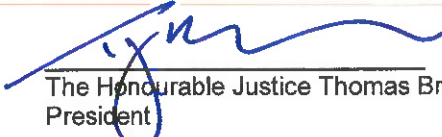
Principal activities

The principal activity of the association was working with people with disability and disadvantage, in the arts.



**Access Arts Inc.
Management committee members' report
31 October 2019**

On behalf of the management committee members



The Honourable Justice Thomas Bradley
President
27 November 2019



Nicola Leahy
Treasurer

Access Arts Inc.
Contents
31 October 2019

Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Management committee members' declaration	15
Independent auditor's report to the members of Access Arts Inc.	16

General information

The financial statements cover Access Arts Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Access Arts Inc.'s functional and presentation currency.

Access Arts Inc. is a not-for-profit incorporated association registered under the Associations Incorporation Act Queensland (1981), and is registered as a charity under the Australian Charities and Not-for-profits Commission Act 2012. The association operated in Australia.

The financial statements were authorised for issue on 27 November 2019.



Access Arts Inc.
Statement of profit or loss and other comprehensive income
For the period ended 31 October 2019

	10 months ended 31 Oct 2019	12 months ended 31 Dec 2018
Note	\$	\$
Revenue		
Queensland Government grants - Arts Queensland	87,500	206,000
Queensland Government grants - Department of Communities, Child Safety and Disability Services	45,736	301,316
Queensland Government grants - Department of Child Safety, Youth and Women	-	3,000
Australian Government grants - Department of Prime Minister and Cabinet	33,648	67,296
Australian Government grants - Department of Health	2,486	2,486
Other grants	13,227	2,300
Donations	4,420	16,288
Workshop fees	17,020	28,163
Interest	2,450	3,390
Other revenue	3,713	34,497
National Disability Insurance Scheme	19,538	19,658
Total revenue	<u>229,738</u>	<u>684,394</u>
Expenses		
Computer and IT expenses and support	(3,001)	(16,409)
Consultants and contractors	(9,366)	(9,496)
Employee benefits expense	(134,978)	(530,678)
Depreciation and amortisation expense	-	(4,537)
Insurance	(4,896)	(7,159)
Marketing, promotion and publicity	(612)	(10,678)
Department of Prime Minister and Cabinet partnership and project expenses	(7,656)	(15,263)
Postage, internet and telephone	(1,790)	(8,267)
Printing and stationery	(701)	(3,485)
Rent and outgoings	(9,281)	(35,291)
Repairs and maintenance	(294)	(758)
Resource materials	(1,951)	(6,166)
Staff, Board and Arts worker training	(593)	(9,013)
Travel and accommodation	(1,001)	(5,841)
Venue and equipment hire	(5,210)	(17,762)
Other expenses	(5,779)	(19,801)
Total expenses	<u>(187,109)</u>	<u>(700,604)</u>
Operating surplus/(deficit)	42,629	(16,210)
Net assets transferred to Access Arts (CPL) Limited	3 (189,186)	-
Deficit for the period	(146,557)	(16,210)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(146,557)</u>	<u>(16,210)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Access Arts Inc.
Statement of financial position
As at 31 October 2019

	Note	31 Oct 2019 \$	31 Dec 2018 \$
Assets			
Current assets			
Cash and cash equivalents	4	-	296,841
Trade and other receivables	5	-	2,566
Other	6	-	15,228
Total current assets		-	<u>314,635</u>
Non-current assets			
Property, plant and equipment	7	-	13,420
Total non-current assets		-	<u>13,420</u>
Total assets		-	<u>328,055</u>
Liabilities			
Current liabilities			
Trade and other payables	8	-	42,542
Employee benefits	9	-	13,281
Other	10	-	3,243
Total current liabilities		-	<u>59,066</u>
Non-current liabilities			
Employee benefits	11	-	11,621
Total non-current liabilities		-	<u>11,621</u>
Total liabilities		-	<u>70,687</u>
Net assets		-	<u><u>257,368</u></u>
Equity			
Restricted reserves	12	-	110,811
Retained surpluses		-	<u>146,557</u>
Total equity		-	<u><u>257,368</u></u>

The above statement of financial position should be read in conjunction with the accompanying notes

Access Arts Inc.
Statement of changes in equity
For the period ended 31 October 2019

	Restricted reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2018	124,415	162,767	287,182
Deficit for the period	-	(16,210)	(16,210)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(16,210)	(16,210)
Net movement in reserves (note 11)	(13,604)	-	(13,604)
Balance at 31 December 2018	<u>110,811</u>	<u>146,557</u>	<u>257,368</u>
	Restricted reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2019	110,811	146,557	257,368
Deficit for the period	-	(146,557)	(146,557)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(146,557)	(146,557)
Net movement in reserves (note 11)	(110,811)	-	(110,811)
Balance at 31 October 2019	<u>-</u>	<u>-</u>	<u>-</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Access Arts Inc.
Statement of cash flows
For the period ended 31 October 2019

	10 months ended Note 31 Oct 2019 \$	12 months ended 31 Dec 2018 \$
Cash flows from operating activities		
Receipts from government and customers (inclusive of GST)	243,797	741,439
Payments to suppliers and employees (inclusive of GST)	<u>(254,653)</u>	<u>(763,275)</u>
	(10,856)	(21,836)
Interest received	<u>2,450</u>	<u>3,390</u>
Net cash used in operating activities	<u>(8,406)</u>	<u>(18,446)</u>
Cash flows from investing activities		
Payments for property, plant and equipment (net of capital grant)	(11,727)	(10,579)
Proceeds from rental security deposit	7,175	-
Transfer of cash assets to Access Arts (CPL) Limited	<u>(272,941)</u>	<u>-</u>
Net cash used in investing activities	<u>(277,493)</u>	<u>(10,579)</u>
Cash flows from financing activities		
Restricted reserves - net movement	<u>(10,942)</u>	<u>(13,604)</u>
Net cash used in financing activities	<u>(10,942)</u>	<u>(13,604)</u>
Net decrease in cash and cash equivalents	(296,841)	(42,629)
Cash and cash equivalents at the beginning of the financial period	<u>296,841</u>	<u>339,470</u>
Cash and cash equivalents at the end of the financial period	4 <u><u>-</u></u>	<u><u>296,841</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for not-for profit oriented entities, and the Australian Charities and Not-for-profits Commission Act 2012.

At a Special General Meeting of members held on 10 April 2019, the members of Access Arts Inc. authorised the Management Committee to enter into an agreement to transfer the assets and liabilities of Access Arts Inc. to an association or fund established for the benefit of persons with a disability that meets the requirement of clause 48 of the Access Arts Inc. constitution. The business of Access Arts Inc. was transferred to Access Arts (CPL) Limited with effect from 1 April 2019 and consequently the statement of profit or loss and other comprehensive income represents 3 months trading by Access Arts Inc.

At a special general meeting of Access Arts Inc. (the association) held on 8 October 2019, the association's members resolved to wind up the association. Additionally, it was resolved that any surplus assets remaining after payment of all the association's debts and liabilities be transferred to Access Arts (CPL) Limited. At 31 October 2019, the association had paid all its debts and liabilities and had transferred its surplus assets to Access Arts (CPL) Limited. These financial statements have been prepared solely for the purposes of lodgement with the Office of Fair Trading (QLD) to enable a voluntary winding up of the association. Consequently, the Management Committee has determined that the going concern basis of preparation of the financial statements (as applied in previous years) is no longer appropriate. These financial statements have been prepared on a liquidation basis.

The financial statements can only be prepared on a going concern basis where there is neither the intention nor the need to liquidate the association or cease trading. If such an intention or need exists, the financial report cannot be prepared on a going concern basis.

Liquidation basis of accounting

Under the liquidation basis of accounting, assets are written down to their estimated net realisable value, and liabilities are stated at their estimated settlement amounts, and the relevant estimates are periodically reviewed and adjusted as appropriate. All assets and liabilities are presented as current assets or current liabilities. As the association has paid all its debts and liabilities, and transferred the net assets to Access Arts (CPL) Limited, there are no assets and liabilities recorded in the statement of financial position at 31 October 2019.

In adopting the liquidation basis, the Management Committee has continued to apply the disclosure requirements of Australian Accounting Standards, to the extent that they are relevant to the liquidation basis, and have modified them where this is considered appropriate.

The accounting policies adopted are consistent with those of the previous financial year except for changes specifically related to the adoption of the liquidation basis of preparation.

Comparative information has not been restated, and is measured and presented on a going concern basis.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Note 1. Significant accounting policies (continued)

Critical accounting estimates

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

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. No amounts are included in the financial statements for services donated by volunteers.

Grants

Revenue from non-reciprocal grants (contributions), is recognised when the association obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the association and the amount of the contribution can be measured reliably. A non-reciprocal grant or contribution is the receipt by the association of an asset, including the right to receive cash or other forms of asset without giving approximately equal value to the grantor.

Rendering of services

Revenue from the rendering of services is generally recognised once the service has been delivered.

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Production equipment	20% per annum
Office furniture and equipment	20% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Accruals are represented by liabilities for goods and services incurred prior to the year end date that have not yet been paid, invoiced or formally agreed with the supplier.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Access Arts Inc.
Notes to the financial statements
31 October 2019

Note 3. Net assets transferred to Access Arts (CPL) Limited

At a special general meeting of Access Arts Inc. (the association or AAI) held on 8 October 2019, the association's members resolved to wind up the association. Additionally, it was resolved that any surplus assets remaining after payment of all the association's debts and liabilities be transferred to Access Arts (CPL) Limited (CPL) (refer note 1). The net assets of the association were all transferred to Access Arts (CPL) Limited by 31 October 2019.

In terms of a Deed of Transfer entered into by AAI and CPL, CPL received all the assets of AAI at the date of completion for no consideration and assumed all the liabilities of AAI in connection with the business of AAI that had not been satisfied, fulfilled or performed at the completion date.

Note 4. Current assets - cash and cash equivalents

	31 Oct 2019	31 Dec 2018
	\$	\$
Cash on hand	-	250
Cash at bank	-	184,416
Cash at bank - SAFE Fund	-	90,594
Cash at bank - Access Arts Achievement Awards	-	21,581
	<u>-</u>	<u>296,841</u>

The bank accounts for the SAFE Fund and the Access Arts Achievement Awards are restricted to the SAFE Fund reserve and Access Arts Achievement Awards reserve (refer note 11).

Note 5. Current assets - trade and other receivables

	31 Oct 2019	31 Dec 2018
	\$	\$
Trade receivables	-	2,166
Other receivables	-	400
	<u>-</u>	<u>2,566</u>

Note 6. Current assets - other

	31 Oct 2019	31 Dec 2018
	\$	\$
Prepayments	-	8,053
Security deposits	-	7,175
	<u>-</u>	<u>15,228</u>

Note 7. Non-current assets - property, plant and equipment

	31 Oct 2019	31 Dec 2018
	\$	\$
Production equipment - at cost	-	12,781
Less: Accumulated depreciation	-	(12,312)
	-	469
Office furniture and equipment - at cost	-	36,865
Less: Accumulated depreciation	-	(23,914)
	-	12,951
	-	13,420

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Production equipment \$	Office furniture and equipment \$	Total \$
Balance at 1 January 2019	469	12,951	13,420
Additions	-	23,454	23,454
Assets transferred to Access Arts (CPL) Limited	(469)	(36,405)	(36,874)
Balance at 31 October 2019	-	-	-

In terms of a Deed of Transfer, all equipment was transferred to Access Arts (CPL) Limited (refer note 3).

Note 8. Current liabilities - trade and other payables

	31 Oct 2019	31 Dec 2018
	\$	\$
Trade payables	-	3,786
Credit card facilities	-	1,405
Accrued expenses	-	4,750
BAS payable	-	9,577
Other payables	-	23,024
	-	42,542

Note 9. Current liabilities - employee benefits

	31 Oct 2019	31 Dec 2018
	\$	\$
Annual leave	-	13,281

Note 10. Current liabilities - other

	31 Oct 2019	31 Dec 2018
	\$	\$
Revenue received in advance	-	3,243

Note 11. Non-current liabilities - employee benefits

	31 Oct 2019	31 Dec 2018
	\$	\$
Long service leave	-	11,621

Note 12. Equity - restricted reserves

Restricted reserves refer to donations and contributions made to the association where the contributor or donor had designated the funds towards a specific appeal or purpose.

	31 Oct 2019	31 Dec 2018
	\$	\$
SAFE Fund	-	90,594
Access Arts Achievement Awards	-	20,217
	-	110,811

SAFE Fund

The SAFE fund was established by a Life Member to provide flexible assistance to emerging and professional artists living in Queensland who experience disability. Access Arts awarded SAFE grants of up to \$1,000.

Access Arts Achievement Awards

The Access Arts Achievement Award provided up to \$10,000 funding for Queensland artists, arts workers and producers with disability working in any art form to create, develop, present, produce, exhibit and/or tour their work.

Movements in restricted reserves

Movements in the restricted reserves during the current and previous financial periods are set out below:

	SAFE Fund \$	Access Arts Achievement Awards \$	Total \$
Balance at 1 January 2018	89,940	34,475	124,415
Interest income	1,654	-	1,654
Grants - disbursements	(1,000)	(14,258)	(15,258)
Balance at 31 December 2018	90,594	20,217	110,811
Interest income	1,144	4	1,148
Grants - disbursements	(1,000)	(11,090)	(12,090)
Funds transferred to Access Arts (CPL) Limited	(90,738)	(9,131)	(99,869)
Balance at 31 October 2019	-	-	-

In terms of a Deed of Transfer, all reserves were transferred to Access Arts (CPL) Limited (refer note 3).

Note 13. Key management personnel disclosures

Compensation

The aggregate compensation made to key management personnel of the incorporated association is set out below:

	10 months ended 31 Oct 2019 \$	12 months ended 31 Dec 2018 \$
Aggregate compensation	<u>26,597</u>	<u>105,456</u>

Note 14. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

There were no transactions with related parties during the current and previous financial period.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 15. Remuneration of auditors

	10 months ended 31 Oct 2019 \$	12 months ended 31 Dec 2018 \$
Audit services - Wessels & Co Pty Ltd Audit of the financial statements	<u>3,750</u>	<u>4,500</u>

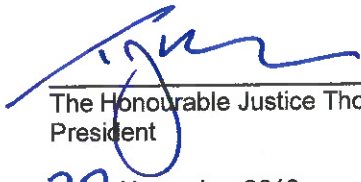
**Access Arts Inc.
Management committee members' declaration
31 October 2019**

In the management committee members' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements as they apply on a liquidation basis, and the Australian Charities and Not-for-profits Commission Act 2012;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 31 October 2019 and of its performance for the financial period ended on that date; and

The association has paid all its debts and liabilities at 31 October 2019 and has not incurred any debts since that date.

On behalf of the management committee members



The Honourable Justice Thomas Bradley
President

27 November 2019



Nicola Leahy
Treasurer

Independent Auditor's Report

To the Members of Access Arts Inc.

Opinion

We have audited the financial report of Access Arts Inc. (the association), which comprises the statement of financial position as at 31 October 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Management Committee Members' declaration.

In our opinion the accompanying financial report of Access Arts Inc. is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the association's financial position as at 31 October 2019 and of its financial performance for the period then ended; and
- (ii) complying with *Australian Accounting Standards - Reduced Disclosure Requirements* 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 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 and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The association's Management Committee has concluded that the association is not a going concern and the financial report has been prepared on a liquidation basis of accounting. Additionally, the financial report has been prepared solely for the purposes of lodgement with the Office of Fair Trading (QLD) to enable a voluntary winding up of the association and for the members. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of the association and for lodgement with the Office of Fair Trading (QLD) and should not be distributed to or used by parties other than the members and the Office of Fair Trading (QLD). Our opinion is not modified in respect of this matter.

Other Information

The Management Committee is responsible for the other information. The other information comprises the content of the Management Committee Members' report on page 1, 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 the Management Committee for the Financial Report

The Management Committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Management Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Management Committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the association or to cease operations, or has 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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee 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.

Wessels & Co Pty Ltd

Wessels & Co Pty Ltd



Wayne Wessels

Director

Signed at Brisbane on 27 November 2019