



Melaleuca
HOME FOR THE AGED INC.

ABN: 11 358 382 701

NAPS ID: 11

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

73 Mary Street, EAST DEVONPORT TAS 7310

Ph: 03 6427 9131

Fax: 03 6427 7483

MELALEUCA HOME FOR THE AGED INC.

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MELALEUCA HOME FOR THE AGED INC.

COMMITTEE'S REPORT FOR THE YEAR ENDED 30 JUNE 2023

Committee members

The names of the committee members at the end of the year are:

Mr Peter Vertigan	Chairman / President	45 Wenvoe St Devonport Tas 7310
Mr Kenneth Michell	Deputy Chair/ Vice President	34 Forest Heights Drive Tugrah Tas 7310
Mrs Simone Collins	Public Officer / Secretary / CEO	3 Macoma Close Don Tas 7310
Mr Terry Travers	Treasurer	31 McCall Trc Stoney Rise Tas 7310
Mr Liam Stirrat	Board Member / Clinical Care Director (Resigned 25th May 2023)	28 Paraka Street Parklands TAS 7320
Mr Dionne Smith	Board Member / Clinical Care Director (Appointed 13th June 2023)	68 Cotton Street Latrobe TAS 7307
Mr Frank Atkins	Board Member	8 Torquay St Sheffield Tas 7306
Mrs Dianne deBoer	Board Member	107 Caroline Street East Devonport Tas 7310
Mrs Dianne Warren	Board Member	12 Greenway Avenue Devonport Tas 7310
Mrs Erin Senz	Board Member	13 Logan Street Leith Tas 7315
Mr Stan Jessup	Board Member	136 Mary Sreet East Devonport Tas 7310
Mr Andrew Groves	Board Member	23 Tugrah Road Devonport Tas 7310

Principle activities

The principle activities of the association during the financial year were:

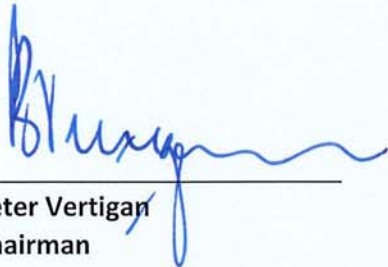
Providing aged care services

The approved provider delivers only residential aged care services and therefore this report relates to only such operations.

Operating result

The operating profit for the year ended 30 June 2023 amounted to \$388,439.

Signed in accordance with a resolution of the members of the Committee.

A handwritten signature in blue ink, appearing to read 'P. Vertigan', written over a horizontal line.

Peter Vertigan
Chairman

A handwritten signature in blue ink, appearing to read 'S. Collins', written over a horizontal line.

Simone Collins
Chief Executive Officer

30 August 2023

MELALEUCA HOME FOR THE AGED INC.

**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTES	2023 \$	2022 \$
Operating revenue			
Resident care fees		952,206	953,470
Residents accommodation charges		314,670	379,759
Combined commonwealth subsidies		4,040,270	3,536,706
Other revenue	2	443,084	270,529
Total operating revenue		5,750,230	5,140,464
Operating expenses			
Employment		4,005,888	3,815,838
Catering		167,829	163,847
Medical, therapy and continence		137,454	255,429
Hygiene		47,149	53,204
Utilities		95,169	97,404
Insurance		285,992	295,878
Property and vehicle expenses		149,256	59,476
Administration		90,208	73,259
Other		142,419	139,405
Total operating expenses		5,121,364	4,953,740
Non-operating expenses			
Depreciation		240,427	164,908
Net profit/(loss) from operations		388,439	21,816
Total comprehensive income/(loss) for the period		388,439	21,816

This statement should be read in conjunction with the accompanying notes

MELALEUCA HOME FOR THE AGED INC.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTES	2023 \$	2022 \$
Current assets			
Cash	4	6,817,291	5,674,284
Receivables	5	276,964	162,027
Inventories	6	41,135	27,016
Total current assets		<u>7,135,390</u>	<u>5,863,327</u>
Non-current assets			
Property, plant & equipment	7	<u>3,788,601</u>	<u>4,619,854</u>
Total non-current assets		<u>3,788,601</u>	<u>4,619,854</u>
Total assets		<u>10,923,991</u>	<u>10,483,181</u>
Current liabilities			
Trade and other payables	8	231,047	1,259,956
Other financial liabilities	9	3,786,076	2,830,000
Provisions	10	<u>311,012</u>	<u>282,596</u>
Total current liabilities		<u>4,328,135</u>	<u>4,372,552</u>
Non-current liabilities			
Provisions	10	<u>172,384</u>	<u>75,596</u>
Total non-current liabilities		<u>172,384</u>	<u>75,596</u>
Total liabilities		<u>4,500,519</u>	<u>4,448,148</u>
Net assets		<u>6,423,472</u>	<u>6,035,033</u>
Equity			
Retained earnings	11	<u>6,423,472</u>	<u>6,035,033</u>
Total equity		<u>6,423,472</u>	<u>6,035,033</u>

This statement should be read in conjunction with the accompanying notes

MELALEUCA HOME FOR THE AGED INC.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTES	Retained Earnings \$	Total \$
Balance at 1 July 2021		6,013,217	6,013,217
Profit/(loss) from operations		21,816	21,816
Balance at 30 June 2022		6,035,033	6,035,033
Profit/(loss) from operations		388,439	388,439
Balance at 30 June 2023		6,423,472	6,423,472

This statement should be read in conjunction with the accompanying notes

MELALEUCA HOME FOR THE AGED INC.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTES	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers	14	1,523,019	1,395,004
Government funding		4,035,311	3,621,500
Payments to suppliers and employees		(5,357,306)	(4,775,662)
Interest received		176,740	51,458
Other		103,611	85,695
Net cash provided from operating activities	14 (b)	481,375	377,995
Cash flows from investing activities			
Fixed asset purchases		(719,229)	(704,386)
Net cash flow from investing activities		(719,229)	(704,386)
Cash flows from financing activities			
Government Grants		424,785	801,270
Accommodation bonds received		1,927,200	540,000
Accommodation bonds paid out		(971,124)	(200,000)
Net cash flow from financing activities		1,380,861	1,141,270
Net increase / (decrease) in cash held		1,143,007	814,879
Cash at the beginning of the financial year		5,674,284	4,859,405
Cash at the end of the financial year	14 (a)	6,817,291	5,674,284

This statement should be read in conjunction with the accompanying notes

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Statement Of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with *Australian Accounting Standards – Simplified Disclosures* Requirements of the Australian Accounting Standards Board (AASB), the *Australian Charities and Not-for-Profits Commission Act 2012* and requirements of the Associations Incorporation Act Tasmania.

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The Organisation has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the company has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

Basis Preparation

The accounting policies set out below have been consistently applied to all years presented .

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

No provision for income tax expense, nor any income tax expenses, is necessary as the entity is exempt from income tax under Division 50 of Income Tax Assessment Act (1997).

(b) 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 less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the committee 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 assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to a revaluation reserve of equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Statement Of Significant Accounting Policies (cont.)

(b) Property, Plant and Equipment (cont.)

Depreciation

The depreciation amount of all fixed assets including buildings and capitalised leased assets are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residential values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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 included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Employment Benefits

Provision is made for the associations liability for employee benefits arising from services rendered by employees to balance date. 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, plus related on-costs. 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.

(e) 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 overflow of economic benefits will result and that overflow can be reliably measured.

(f) 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Statement Of Significant Accounting Policies (cont.)

(g) Revenue

Government subsidies

Revenue from Government subsidies that are enforceable and with sufficient specific performance obligations are accounted for under AASB 15 as revenue from contracts, with revenue recognised as the performance obligations are met. Government subsidies received but performance obligations are yet to be met are deferred as a contract liability

Government subsidies relating to aged care delivery, accommodation supplements and home and community care are recognised as revenue at the point in time the services are delivered to the resident or client.

Government funding received where there is not sufficiently specific performance obligations are recognised as revenue when the Entity has an unconditional right to receive the funds, which usually coincides with the receipt of the cash.

Resident and client fees

The performance obligations relating to resident and client fees are based on the delivery of services. Revenue is recognised as the services are delivered.

Donations and other revenue

Revenue is recognised on receipt of cash or at the time a receivable is recorded, if earlier

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

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(i) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Statement Of Significant Accounting Policies (cont.)

(j) Accommodation Bonds

Accommodation bonds received prior to 1 July 2014 are non interest bearing deposits made by aged care facility residents to the entity upon their admission to the facility. In accordance with resident agreements, a portion of each bond is recognised as revenue proportionately over a set period. The liability for accommodation bonds is carried at the amount that would be payable on departure or transfer of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the Aged Care Act 1997.

From 1 July 2014, residents can elect for their accommodation contribution to be paid as a Daily Accommodation Payment ("DAP") or a Refundable Accommodation Deposit ("RAD"), or a combination of both. RADs do not have an amortisation factor, however, residents can choose for their DAP (and some other charges) to be drawn against the RAD.

Accommodation bonds receivable become interest bearing after a set period, with the interest rate varying according to the agreement. This interest revenue is recognised on an accrual basis over the period it is earned.

Accommodation bonds and RADs are guaranteed under the Accommodation Bond (Guarantee Scheme) which came into operation on 31 May 2006. The Guarantee Scheme enables the Commonwealth to step in and refund accommodation bond or entry contribution balances to residents if the approved provider has defaulted on its financial obligations due to bankruptcy or insolvency. After the refunds have been made, the Commonwealth becomes the creditor (unsecured) for those amounts. The Commonwealth then pursues the defaulting approved provider for recovery of funds through normal insolvency procedures. The Guarantee Scheme is established under the Aged Care (Bond Security) Act 2006.

Number of RAD/RAC held as at 30 June 2023: 9

(k) Comparative Figures

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

(l) Critical accounting estimates and adjustments

The committee members evaluate estimates and judgements incorporated into the financial report 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.

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Statement Of Significant Accounting Policies (cont.)

(m) Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The organisation is reliant upon Government subsidies received for and on behalf of residents to whom care and accommodation is provided.

At 30 June 2023 the organisation has net current assets of \$2,807,255 (2022: net assets of \$1,490,775) with positive net assets of \$6,423,472 (2022: net assets of \$6,035,033). For the year ended 30 June 2023 the organisation achieved a net profit of \$388,439 (2022: profit of \$21,816) and had positive cash flows from operations of \$481,375 (2022: positive cash flows from operations: \$377,995)

Forecasted results

Management have prepared budgets for the upcoming 12 months and are expecting to derive a profit and positive cash flows from operations during this period.

	2023 \$	2022 \$
2. Other Revenue		
Donations	3,846	2,149
Insurance recoveries	-	4,280
Interest received	176,740	54,304
Membership subscriptions	19	13
Grants	53,916	39,375
Resident extras	69,027	66,066
COVID-19 Subsidies	68,888	25,400
Workers compensation wages reimbursement	21,723	44,244
Sundry income	48,925	34,698
Total revenue	443,084	270,529

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
3. Auditors Remuneration		
Audit fees	8,595	6,750
	<u>8,595</u>	<u>6,750</u>
4. Cash and Cash Equivalents		
Petty cash	401	500
Bank accounts	1,524,343	1,463,035
Credit cards	1,234	1,132
Short term investments	5,291,313	4,209,617
	<u>6,817,291</u>	<u>5,674,284</u>
5. Trade and Other Receivables		
Trade debtors	97,030	47,012
Prepayments	46,301	48,871
Goods and services tax	5,116	-
Accrued income	71,091	66,102
Other receivables	57,426	42
	<u>276,964</u>	<u>162,027</u>
6. Inventory		
Inventories	41,135	27,016
	<u>41,135</u>	<u>27,016</u>

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
7. Property, Plant and Equipment		
Land & buildings at cost	5,351,603	5,971,536
Less accumulated depreciation	(1,739,923)	(1,530,079)
	<u>3,611,680</u>	<u>4,441,457</u>
Furniture, equipment & motor vehicles at cost	802,418	773,312
Less accumulated depreciation	(625,497)	(594,915)
	<u>176,921</u>	<u>178,397</u>

Movements in carrying amounts for each class of property plant and equipment.

	Land & Buildings At Cost	Furniture, Equipment & Motor Vehicles	Total
Balance 1 July 2021	3,880,702	199,672	4,080,374
Additions	692,080	12,307	704,387
Depreciation expense	(131,325)	(33,582)	(164,907)
Balance 30 June 2022	<u>4,441,457</u>	<u>178,397</u>	<u>4,619,854</u>
Additions	624,739	29,106	653,845
Building Grant Offset	(1,244,672)	-	(1,244,672)
Depreciation expense	(209,844)	(30,582)	(240,426)
Balance 30 June 2023	<u>3,611,680</u>	<u>176,921</u>	<u>3,788,601</u>

8. Trade and Other Payables

Trade and other payables	82,119	1,097,783
Accrued expenses	148,928	143,850
	<u>231,047</u>	<u>1,259,956</u>

9. Other Financial Liabilities

Accommodation bonds payable	3,786,076	2,830,000
	<u>3,786,076</u>	<u>2,830,000</u>

10. Provisions

Current

Provision for annual leave	217,718	193,935
Provision for long service leave	93,294	88,661
	<u>311,012</u>	<u>282,596</u>

Non-current

Provision for long service leave	172,384	75,596
	<u>172,384</u>	<u>75,596</u>

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
11. Retained Earnings		
Retained profits at beginning of the financial year	6,035,033	6,013,217
Net profit attributable to the association	388,439	21,816
Retained profits at end of the financial year	6,423,472	6,035,033

12. Related Party Transactions

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. The key management personnel of the entity comprise the Directors and senior management.

Aggregate remuneration paid to key management personnel for the year	281,344	310,329
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13. Association Details

The registered office of the association is:

Melaleuca Home for the Aged Inc.
73 Mary Street
EAST DEVONPORT TAS 7310

14. Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	6,815,656	5,672,652
Cash on hand	401	500
	6,816,057	5,673,152
Bank overdraft/credit cards	(1,234)	(1,132)
	6,814,823	5,672,020

(b) Reconciliation of cash flow from operations with profit from operations

Profit from ordinary activities	388,439	21,816
Non-cash flows in profit from ordinary activities:		
Depreciation	240,427	164,908
Movements in employee provisions	125,203	(39,879)
Changes in assets and liabilities:		
(Increase)/decrease in receivables and inventory	(242,413)	4,789
Increase/(decrease) in payables and accruals	(30,281)	226,361
Net cash provided by operating activities	481,375	377,995

MELALEUCA HOME FOR THE AGED INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

15. Segment Reporting

The approved provider delivers only residential aged care services and this general purpose financial report therefore relates only to such operations.

16. Contingent Liabilities

The organisation has previously received various Commonwealth Government Grants for capital improvement and renovation projects. If the organisations ceases to operate under the terms of the respective Grant Deeds, then a portion of the Grant maybe become refundable.

MELALEUCA HOME FOR THE AGED INC.

STATEMENT BY THE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2023

In the opinion of the committee the financial report:

1. Presents a true and fair view of the financial position of Melaleuca Home for the Aged Inc as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements.
2. At the date of this statement there are reasonable grounds to believe that Melaleuca Home for the Aged 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 committee and is signed for and on behalf of the committee by:



Peter Vertigan
Chairman



Simone Collins
Chief Executive Officer

30 August 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MELALEUCA HOME FOR THE AGED INC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Melaleuca Home for the Aged Inc, which comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 30 June 2023 then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Members of the Melaleuca Home for the Aged Inc ' declaration.

In our opinion, the financial report of Melaleuca Home for the Aged Inc has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

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

Information Other than the Financial Report and Auditor's Report Thereon

The Members are responsible for the other information. The other information comprises the information included in the Melaleuca Home for the Aged Inc's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The Members of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Members 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, Members are responsible for assessing the registered entity'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 Members either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so. The responsible entities are responsible for overseeing the registered entity'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 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 the 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 responsible entities.
- Conclude on the appropriateness of the responsible entity'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 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 responsible entities 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.



GREGORY HARPER
Registered Company Auditor
ASIC Registration #: 337294

Date: 31 August 2023

46 Cameron Street
Launceston Tas 7250