

Young Australia League Limited

ABN 53 227 006 488

**Financial Report
For the 18 month period ended
31 December 2022**

Young Australia League Limited
Directors' report
31 December 2022

The Directors present their report, together with the financial statements, on the company for the 18 month period from 1 July 2021 to 31 December 2022.

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

| | |
|---|---------------------|
| Sean Henbury (appointed 22/07/2021) | Chair, Director |
| Rebecca Mahony (appointed 23/08/2021) | Deputy, Director |
| Michael Wainwright | Treasurer, Director |
| Chantal Charbonneau | Secretary, Director |
| Stephanie Jackson (appointed 26/07/21) | Director |
| Cate Sims (appointed 27/06/2022) | Director |
| Jodie McQuillan (appointed 24/10/2022) | Director |
| Mary Walker (resigned as of 22/07/2021) | |
| Rosalba Butterworth (resigned 26/08/2021) | |
| Margriet Gibson (resigned 26/08/2021) | |
| Allan Tranter (appointed 23/07/2021, resigned 29/10/2021) | |
| Rodney Ross (resigned 25/10/2021) | |
| Pieter Mulder (resigned 11/01/2022) | |
| Pauline Vukojevic (appointed 29/10/2021, resigned 30/06/2022) | |

Objectives

The objective of the company is to provide financial assistance and support programs to young people in Australia who are disadvantaged or suffering poverty or other misfortune.

Strategy for achieving the objectives

Partner with government and other sector partners to support their programs to assist the disadvantaged in the Cairns Community.

Delivering programs that provide tailored wrap around support to each young person in the program.

Collaborating with a range of partners in the youth sector to deliver financial assistance that addresses a barrier of the young person not covered by existing funding options.

Principal activities

During the financial period the principal continuing activities of the company were, without limitation:

- (a) Provide accommodation in Cairns, particularly for indigenous communities, disadvantaged groups and other community organisations;
- (b) Deliver a scholarship program with support services to current and past recipients;
- (c) Collaborate with other youth support organisations to deliver assistance to disadvantaged and at risk young people to empower them to progress past their barriers.

Performance measures

The company measures its performance in both the dollar value of assistance provided and the number of young people assisted. The key performance measures are:

- continuing to increase the number of scholarships awarded,
- increasing the number of young people assisted both directly and through our partners in all programs,
- increasing sponsorship and donations that directly fund the recipients to enable the Company to meet the above two performance targets while continuing to self-fund all administration costs.
- effective asset management of our Cairns facility ensuring that it is fit for purpose for the current and evolving program operating on site.
- Tracking the outcomes achieved by our primary clients in line with the program logic and their individual goals.

Review of operations

During the period, the Company changed its financial year end from 30 June to 31 December. Accordingly, the financial report has been prepared for 18 months from 1 July 2021 to 31 December 2022.

At the end of the period, the Company adopted the funding and payments framework of the scholarship program that it administers. Previously this framework sat within the Trust that the Company is a Trustee for. The result will be visible in the 2023 financial statements.

The Company's surplus/(deficit) for the 18 month period was (\$52,907) (12 month period ended 30 June 2021: \$253,253 surplus)

The deficit for the current 18 month period is attributed to the financial market swings, investment in our Cairns facility, and investment in personnel to support the growth of our programs.

Significant changes in the state of affairs

No significant changes in the nature of the Company's activities occurred during the 18 month period.

Events since the end of the financial period

No circumstances or events have arisen subsequent to the end of the 18 month period that have had, or are likely to have, a material impact on the operations of the Company or the financial statements.

Environmental regulation

The Company is not subject to any particular or significant environmental regulation.

Directors' insurance and indemnification

During the 18 month period, the Company paid premium in respect of contracts to insure the Directors of the Company from liability for proceedings brought against them.

Information on directors

| | |
|---------------------------|---|
| Name: | Sean Henbury |
| Title: | Chair |
| Experience and expertise: | Sean is a Chartered Accountant with significant experience in public practice with four Perth Accounting firms. Sean is a Director at Armada Accountants & Advisors where he provides client support across a wide range of industries including mining, exploration, research and development, retail, construction and manufacturing. His primary areas of expertise include taxation consulting, taxation compliance, corporate restructuring, financial reporting, and Company secretarial requirements. He has been the company secretary of a number of publicly listed companies and is regularly called upon to advise Directors of their duties. Sean is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Chartered Tax Adviser and Member of The Tax Institute, as well as a registered Tax Agent and a registered Self-Managed Superannuation Fund Auditor. Sean has a strong knowledge and understanding of tax law, commercial practice, excellent negotiation skills and prides himself on bringing clarity to complex issues for his clients. He has a genuine desire to use the skills and experience that he has developed over his 23 years of public practice to assist and contribute to YAL and make a difference to the lives of young Australians. |
| Special responsibilities: | Member of the Finance, Investment and Audit Committee Member of the Executive Review Committee Member of the Scholarship Judging Panel |

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Name: Rebecca Mahony
Title: Deputy Chair
Experience and expertise: Bec has more than 20 years of experience as a psychologist, paired with a solid reputation for building workplace culture, effective leadership and high performance. She has operated in both senior leadership roles in business and as a consultant across sectors, with a robust background in not-for-profits, health, mining and resources. Bec currently manages her own company, On Sixth Business Psychology Services and is a Graduate of the Governance Institute of Australian in their Effective Director Program. Bec is a member of Member Women on Boards, The Governance Institute of Australia, The Psychology Board of Australia, The Society of Industrial and Organisational Psychology Australia and The Australian Association of Psychologists. Bec is passionate about giving back to community and enjoys making a difference.
Special responsibilities: Member of the Executive Review Committee
Member of the Scholarship Judging Panel

Name: Chantal Charbonneau
Title: Secretary
Experience and expertise: Chantal has almost 20 years experience in corporate operations roles in oil and gas, mining and aviation. She is currently working in the Qantas Group, after having previously held roles across regulatory compliance, human resources, safety, and training for a number of leading companies in Australia.
Special responsibilities: Secretary

Name: Michael Wainwright
Title: Treasurer
Qualifications:
Experience and expertise: Mick's first job was in BOANS at the age of 14, joining the Army at 17 in 1972 serving over 20 years and taking discharge in 1994. He served a further 12 years in the Army Reserve, only leaving after he was elected as Councillor with the City of Swan in 2005. Mick was on the City of Swan Council for just over 12 years (until 2017) and served as Deputy Mayor for 6 years and 2 years as Mayor. Mick has been involved in many community groups including RoadWise, President Altone Youth Service, youth programs, neighbourhood watch and the board of the local college. Mick joined the Lions Club of Noranda in 1999 and has held various positions at the club, it was through Lions that Mick became aware of YAL and joined them in 2019.
Special responsibilities: Chair of the Finance, Investment and Audit Committee

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Name: Stephanie Jackson
Title: Non-Executive Director
Experience and expertise: Steph first became involved in the YAL in 2017 as a member of its Educational Grants Advisory Committee, before joining the YAL Board in 2021. She has a long history of involvement in WA's youth sector, including service with the Youth Affairs Council of WA, WA Youth Parliament, and National Youth Week. Steph is driven to achieve positive outcomes for her community by supporting initiatives designed to 'make a difference', and ensuring that those initiatives are well designed, well-targeted, and maximise the value of the investment made in them. She currently applies her expertise in service delivery, public policy and governance through work with a State Government agency, and voluntarily with the YAL and other not-for-profit organisations. Steph is also an Auspire Ambassador and Fellow (graduate) of the Institute of Community Directors Australia.

Special responsibilities: Chair of Scholarship Judging Panel

Name: Cate Sims
Title: Non-Executive Director
Experience and expertise: Cate joined the YAL Board in 2022 after a long association with YAL via her former position as CEO at Polly Farmer Foundation (PFF). She commenced her professional career in local government in 1988 and spent 10 years in community development, community and youth services and Aboriginal relations in WA, ACT, QLD and NSW. In 2014, Cate was named the 'Outstanding Woman in Mining' at the New South Wales Minerals Council awards in recognition of her initiatives to build relationships with, and create opportunities for, the Aboriginal communities in NSW. Cate joined PFF as CEO in 2016, a position she held until 2022, after deciding to return to NSW to be closer to her family. Cate joined the YAL Board with hopes her skills, knowledge and experience will support the growth and sustainability of the Company.

Special responsibilities: None

Name: Jodie McQuillan
Title: Non-Executive Director
Experience and expertise: Jodie works in the education sector and is currently on the senior leadership team at a large Catholic secondary school after many years in teaching and leadership at independent Christian schools. She is passionate about school improvement and the provision of quality learning that prepares children and young people to not only succeed in the workplace, but also to grow through challenges so they may experience a healthy and fulfilling life. Jodie heard about the Young Australia League through a friend and, after discovering that the Company supported youth navigating barriers, was very pleased to contribute by joining the Board of Directors in 2022.

Special responsibilities: None

Company secretary

Chantal Charbonneau has held the role of Company Secretary since October 2021.

**Young Australia League Limited
Directors' report
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Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the 18 month period ended 31 December 2022, and the number of meetings attended by each director were:

| | Full Board | |
|---------------------|------------|------|
| | Attended | Held |
| Sean Henbury | 17 | 18 |
| Rebecca Mahony | 17 | 17 |
| Chantal Charbonneau | 16 | 18 |
| Michael Wainwright | 14 | 18 |
| Stephanie Jackson | 17 | 17 |
| Cate Sims | 6 | 6 |
| Jodie McQuillan | 2 | 2 |
| Pieter Mulder | 6 | 6 |
| Allan Tranter | 4 | 4 |
| Rodney Ross | 3 | 3 |
| Pauline Vukojevic | 7 | 8 |
| Rosalba Butterworth | 0 | 2 |
| Margriet Gibson | 0 | 2 |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$2 each. Honorary members are not required to contribute.

Indemnity of auditors

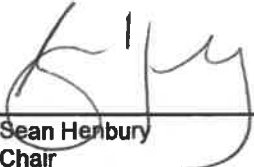
The Company has agreed to indemnify its auditors, Reliance Auditing Services (WA) Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Company's breach of its agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under S60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 is set out immediately after this directors' report.

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

On behalf of the Board


Sean Henbury
Chair

27 March 2023

Young Australia League Limited
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31 December 2022

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General information

The financial statements cover Young Australia League Limited as an individual entity. The financial statements are presented in Australian dollars, which is Young Australia League Limited's functional and presentation currency.

Young Australia League Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 3
45 Murray Street
Perth WA 6000

Principal place of business

Suite 3
45 Murray Street
Perth WA 6000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Board, on 27 March 2023. The directors have the power to amend and reissue the financial statements.

Young Australia League Limited
Statement of profit or loss and other comprehensive income
For the 18 month period ended 31 December 2022

| | Note | 18 month period ended 31 December 2022 \$ | 12 month period ended 30 June 2021 \$ |
|--|------|---|---|
| Revenue | 3 | 1,501,469 | 1,014,343 |
| | | | - |
| Expenses | | | |
| Non-direct financial support benefiting young people | | (17,180) | |
| Employee benefits expense | 4 | (787,298) | (325,916) |
| Depreciation expense | | (174,087) | (105,112) |
| Assets written off | | (279) | (1,608) |
| Investments market value decrease | | (35,619) | |
| Other expenses | | (539,913) | (328,454) |
| | | <u>(1,554,376)</u> | <u>(761,090)</u> |
| Surplus/(deficit) for the period | | (52,907) | 253,253 |
| Other comprehensive income | | | |
| Revaluation of plant and equipment | | 311,000 | - |
| Total comprehensive income for the period | | <u>258,093</u> | <u>253,253</u> |

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

Young Australia League Limited
Statement of financial position
As at 31 December 2022

| | Note | 31 December 2022 \$ | 30 June 2021 \$ |
|--------------------------------------|------|---------------------------|-----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 458,104 | 329,030 |
| Trade and other receivables | 6 | 8,000 | 4,423 |
| Related Party Loan | 7 | - | 8,000 |
| Prepayment | 8 | 29,174 | 51,676 |
| Investments | | 576,798 | 543,581 |
| Total current assets | | <u>1,072,076</u> | <u>936,710</u> |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,876,535 | 1,674,050 |
| Total non-current assets | | <u>1,876,535</u> | <u>1,674,050</u> |
| Total assets | | <u>2,948,611</u> | <u>2,610,760</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 80,905 | 53,877 |
| Contract liabilities | 11 | 32,000 | - |
| Employee benefits | 12 | 42,896 | 11,019 |
| Total current liabilities | | <u>155,801</u> | <u>64,896</u> |
| Non-current liabilities | | | |
| Employee benefits | 13 | 467 | 11,614 |
| Total non-current liabilities | | <u>467</u> | <u>11,614</u> |
| Total liabilities | | <u>156,268</u> | <u>76,510</u> |
| Net assets | | <u>2,792,343</u> | <u>2,534,250</u> |
| Equity | | | |
| Retained surpluses | 14 | 1,886,343 | 1,939,250 |
| Asset Revaluation Reserve | | 906,000 | 595,000 |
| Total equity | | <u>2,792,343</u> | <u>2,534,250</u> |

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

Young Australia League Limited
Statement of changes in equity
For the 18 month period ended 31 December 2022

| | Retained surpluses \$ | Asset Revaluation Reserve \$ | Total equity \$ |
|--|--------------------------------------|---|----------------------------|
| Balance at 1 July 2020 | 1,685,997 | 595,000 | 2,280,997 |
| Surplus for the year | 253,253 | - | 253,253 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the year | <u>253,253</u> | <u>-</u> | <u>253,253</u> |
| Balance at 30 June 2021 | <u>1,939,250</u> | <u>595,000</u> | <u>2,534,250</u> |
| | Retained surpluses \$ | Asset Revaluation Reserve \$ | Total equity \$ |
| Balance at 1 July 2021 | 1,939,250 | 595,000 | 2,534,250 |
| Surplus/(deficit) for the 18 month period | (52,907) | - | (52,907) |
| Other comprehensive income for the 18 month period | <u>-</u> | <u>311,000</u> | <u>311,000</u> |
| Total comprehensive income for the 18 month period | <u>(52,907)</u> | <u>311,000</u> | <u>258,093</u> |
| Balance at 31 December 2022 | <u>1,886,343</u> | <u>906,000</u> | <u>2,792,343</u> |

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

Young Australia League Limited
Statement of cash flows
For the 18 month period ended 31 December 2022

| | Note | 18 month period ended 31 December 2022 \$ | 12 month period ended 30 June 2021 \$ |
|---|-------------|--|--|
| Cash flows from operating activities | | | |
| Receipts from operations | | 1,590,845 | 856,371 |
| Payments to suppliers and employees | | <u>(1,430,607)</u> | <u>(746,216)</u> |
| | | 160,238 | 110,155 |
| Donations received | | 7,810 | |
| Grants received | | 1,500 | 10,636 |
| Other receipts | | <u>37,423</u> | <u>159,819</u> |
| Net cash from operating activities | 15 | <u>206,971</u> | <u>280,610</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (65,570) | (18,392) |
| Investment Portfolio Sales | | 368,855 | - |
| Investment Portfolio Purchases | | (285,118) | - |
| Investment Income | | 45,936 | 29,384 |
| Investment term deposit purchase | | <u>(150,000)</u> | <u>-</u> |
| Net cash (used in)/from investing activities | | <u>(85,897)</u> | <u>10,992</u> |
| Proceeds/(Repayment of) borrowings | | <u>8,000</u> | <u>(49,956)</u> |
| Net cash from/(used in) financing activities | | <u>8,000</u> | <u>(49,956)</u> |
| Net increase in cash and cash equivalents | | <u>129,074</u> | <u>241,646</u> |
| Cash and cash equivalents at the beginning of the financial period | | <u>329,030</u> | <u>87,384</u> |
| Cash and cash equivalents at the end of the financial period | 5 | <u><u>458,104</u></u> | <u><u>329,030</u></u> |

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

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

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 years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company 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.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

New Accounting Standards and Interpretations issued but not yet effective

There are a number of standards, amendments to standards and interpretations which have been issued by the AASB that are effective in future accounting periods that the Association has decided not to early adopt. The Association is currently assessing the impact of these new accounting standards and amendments. The most significant of these is as follows:

- AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-6: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Tier 2 and Other Accounting Standards*
- AASB 2022-1: *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*

When these amendments are first adopted for the year ending 31 December 2023, there will be no material impact on the financial statements.

Basis of preparation

In the Director's opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial report.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Australian Charities and Not-for-profits Commission Act 2012*. The accounting policies used in the preparation of this financial report, as described below, are, in the opinion of the Directors, appropriate to meet the needs of the members and Directors:

- (i) The financial report has been prepared on an accrual basis and are based on historical cost unless otherwise stated in the notes.
- (ii) The financial report has been prepared on a going concern basis and is presented in Australian dollars.
- (iii) The requirements of Australian Accounting Standards and other reporting requirements in Australia do not have mandatory applicability to the Company because it is not a "reporting entity". The Directors have, however, prepared the financial report in accordance with the recognition, measurement and classification requirements of Australian Accounting Standards and the disclosure requirements of the following accounting standards:
 - AASB 101 Presentation of Financial Statements
 - AASB 107 Statement of Cash Flows
 - AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
 - AASB 1048 Interpretation of Standards
 - AASB 1054 Australian Additional Disclosures
- (iv) The accounting policies are consistent with the previous year.

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 1. Significant accounting policies (continued)

Revenue recognition

Revenue comprises grant income, donations, interest received and other income.

Grant income

Grant income for contracts with sufficiently specific performance obligations is recognised over time as the performance obligations are satisfied. Grant income for contracts that do not have sufficiently specific performance obligations is recognised immediately upon receipt.

Donations

Donation is recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

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.

Volunteer services

The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax

As the Company 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.

Note 1. Significant accounting policies (continued)

Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets, Financial instruments – initial recognition and subsequent measurement.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents and trade and other receivables.

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 1. Significant accounting policies (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 1. Significant accounting policies (continued)

enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Terms and conditions of trade on trade and other payables are determined by such factors, but not limited to, individual supplier agreements, type and availability of product and seasonality. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Contract balance

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Property, plant and equipment

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

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

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 (excluding land) over their expected useful lives as follows:

| | |
|-----------------------|-----------|
| Buildings | 40 years |
| Freehold improvements | 15 years |
| Plant and equipment | 3-7 years |
| Motor vehicles | 5-7 years |
| Office equipment | 3-5 years |

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 company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. Furniture and Effects mainly consists of artifacts and are measured at fair value with revaluations to be performed at least every 5 years. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 1. Significant accounting policies (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment and Cairns facility that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Deductible Gift Recipient

The Company is approved as a deductible gift recipient by the Australian Taxation Office due to its public benevolent institutional status.

Comparative information

Comparative information has been re-stated where required for consistency with current year disclosures.

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 3. Revenue

| | 18 month period ended 31 December 2022 \$ | 12 month period ended 30 June 2021 \$ |
|--|--|--|
| <i>Revenue from contracts with customers</i> | | |
| Accommodation Facilities | 1,445,973 | 745,554 |
| | <u>1,445,973</u> | <u>745,554</u> |
| <i>Other revenue</i> | | |
| Investment Revenue | 45,936 | 29,384 |
| Increase in market value of investments | - | 68,950 |
| Donations | 7,810 | - |
| Sponsorships | - | - |
| Grants/Subsidies | 1,500 | 10,636 |
| Other revenue | 250 | 159,819 |
| | <u>55,496</u> | <u>268,788</u> |
| Revenue | <u><u>1,501,469</u></u> | <u><u>1,014,343</u></u> |

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | 18 month period ended 31 December 2022 \$ | 12 month period ended 30 June 2021 \$ |
|-----------------------------|--|--|
| <i>Geographical regions</i> | | |
| Australia | 1,501,469 | 1,014,343 |
| | <u><u>1,501,469</u></u> | <u><u>1,014,343</u></u> |

Note 4. Employee benefits expense

| | 18 month period ended 31 December 2022 \$ | 12 month period ended 30 June 2021 \$ |
|---|--|--|
| Defined contribution superannuation expense | 67,852 | 26,400 |
| Salary and wages | 679,378 | 295,577 |
| Training and development | 14,663 | 1,599 |
| Uniforms and amenities | 1,875 | 2,340 |
| Recruitment costs | 2,800 | - |
| Entitlement provision expense | 20,730 | - |
| | <u>787,298</u> | <u>325,916</u> |

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 5. Cash and cash equivalents

| | 31 December 2022 | 30 June 2021 |
|--------------|-----------------------------|-------------------------|
| | \$ | \$ |
| Cash on hand | 30 | 8 |
| Cash at bank | <u>458,074</u> | <u>329,022</u> |
| | <u><u>458,104</u></u> | <u><u>329,030</u></u> |

Note 6. Trade and other receivables

| | 31 December 2022 | 30 June 2021 |
|--------------------------------------|-----------------------------|-------------------------|
| | \$ | \$ |
| Other receivables | | |
| Sponsor commitments for scholarships | <u>8,000</u> | <u>4,423</u> |
| | <u><u>8,000</u></u> | <u><u>4,423</u></u> |

Note 7. Related party transaction

| | 31 December 2022 | 30 June 2021 |
|---------------------------|-----------------------------|-------------------------|
| | \$ | \$ |
| Related party transaction | <u>-</u> | <u>8,000</u> |

Note 8. Prepayments

| | 31 December 2022 | 30 June 2021 |
|-------------|-----------------------------|-------------------------|
| | \$ | \$ |
| Prepayments | <u>29,174</u> | <u>51,676</u> |
| | <u><u>29,174</u></u> | <u><u>51,676</u></u> |

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 9. Property, plant and equipment

| | 31 December 2022 | 30 June 2021 |
|--------------------------------------|---------------------|--------------------|
| | \$ | \$ |
| Land and buildings - at valuation | 750,000 | 750,000 |
| Less: Accumulated depreciation | <u>(5,546)</u> | <u>(4,159)</u> |
| | <u>744,454</u> | <u>745,841</u> |
| Leasehold improvements - at cost | 2,079,440 | 2,065,016 |
| Less: Accumulated depreciation | <u>(1,348,371)</u> | <u>(1,236,389)</u> |
| | <u>731,069</u> | <u>828,627</u> |
| Plant and equipment - at cost | 593,174 | 718,372 |
| Less: Accumulated depreciation | <u>(503,161)</u> | <u>(618,790)</u> |
| | <u>90,013</u> | <u>99,582</u> |
| Furniture and effects – at valuation | 311,000 | - |
| | <u>311,000</u> | <u>-</u> |
| | <u>1,876,535</u> | <u>1,674,050</u> |

Reconciliations

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

| | Land and buildings | Leasehold improvements | Plant and equipment | Furniture and effects | Total |
|-----------------------------|-----------------------|---------------------------|------------------------|--------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 745,841 | 828,627 | 99,582 | - | 1,674,050 |
| Additions | - | 14,423 | 51,147 | - | 65,570 |
| Profit/(Loss) on disposal | - | - | (279) | - | (279) |
| Depreciation expense | (1,387) | (111,981) | (60,437) | - | (173,806) |
| Revaluation | - | - | - | 311,000 | 311,000 |
| Balance at 31 December 2022 | <u>744,454</u> | <u>731,069</u> | <u>90,013</u> | <u>311,000</u> | <u>1,876,535</u> |

Note 10. Trade and other payables

| | 31 December 2022 | 30 June 2021 |
|----------------|---------------------|-----------------|
| | \$ | \$ |
| Trade payables | 9,822 | 10,783 |
| BAS payable | 28,430 | 21,863 |
| Other payables | <u>42,654</u> | <u>21,231</u> |
| | <u>80,905</u> | <u>53,877</u> |

Note 11. Contract liabilities

| | 31 December 2022 | 30 June 2021 |
|-------------------------|---------------------|-----------------|
| | \$ | \$ |
| Scholarship liabilities | <u>32,000</u> | <u>-</u> |

Young Australia League Limited
Notes to the financial statements
For the 18 month period ended 31 December 2022

Note 12. Employee benefits

| | 31 December 2022 | 30 June 2021 |
|----------------------------------|-----------------------------|-------------------------|
| | \$ | \$ |
| Current liabilities | | |
| Provision for Annual Leave | 26,353 | 11,019 |
| Provision for Long Service Leave | 16,543 | - |
| | <u>42,846</u> | <u>11,019</u> |

Note 13. Employee benefits

| | 31 December 2022 | 30 June 2021 |
|----------------------------------|-----------------------------|-------------------------|
| | \$ | \$ |
| Non-current liabilities | | |
| Provision for Long Service Leave | <u>467</u> | <u>11,614</u> |

Note 14. Retained surpluses

| | 31 December 2022 | 30 June 2021 |
|---|-----------------------------|-------------------------|
| | \$ | \$ |
| Retained surpluses at the beginning of the financial period | 1,939,250 | 1,685,997 |
| Surplus for the period | <u>(52,907)</u> | <u>253,253</u> |
| Retained surpluses at the end of the financial period | <u>1,886,343</u> | <u>1,939,250</u> |

Note 15. Cash flow reconciliation

| | 18 months ended 31 December 2022 | 12 months ended 30 June 2021 |
|---|---|---|
| | \$ | \$ |
| <i>Reconciliation of surplus/(deficit) to net cash flows from operations</i> | | |
| Surplus/(deficit) for the year | (52,907) | 253,253 |
| <i>Adjustments to reconcile surplus for the period to net cash flows:</i> | | |
| Depreciation | 174,087 | 105,112 |
| (Increase)/decrease in market value – shares and managed funds | 35,619 | (68,950) |
| Assets written off | 279 | 1,608 |
| (gain)/loss on sale of investments | (2,854) | - |
| Income from investing activities | (45,936) | (29,384) |
| <i>Changes in assets and liabilities:</i> | | |
| (Increase)/decrease in trade and other receivables | 18,925 | 18,450 |
| Increase/(decrease) in provisions | 20,730 | 1,980 |
| Increase/(decrease) in trade and other payables | 59,028 | (1,459) |
| Net cash flows used in operations | <u>206,971</u> | <u>280,610</u> |

Pinnacle Charity Company Limited by Guarantee Simplified Disclosures Limited
Notes to the financial statements
30 June 2022

Note 16. Remuneration of auditors

The auditor of the Company for the 18 month period ended 31 December 2022 is Reliance Auditing Services (WA) Pty Ltd.

| | 18 months ended 31 December 2022 \$ | 12 months ended 30 June 2021 \$ |
|--|--|--|
| <i>Audit services – Macri Partners</i> | | |
| Audit of the financial statements | - | 10,000 |
| <i>Audit services – Reliance Auditing Services</i> | | |
| Audit of the financial statements | <u>11,300</u> | <u>-</u> |

Note 17. Contingent assets and liabilities

The company had no contingent assets and contingent liabilities as at 31 December 2022 and 30 June 2021.

Note 18. Capital and leasing Commitments

The company had no commitments for expenditure as at 31 December 2022 and 30 June 2021.

Note 19. Events after the reporting period

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Young Australia League Limited
Directors' declaration
31 December 2022**

As detailed in Note 1 to the financial statements, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This special purpose financial report has been prepared to meet the Directors' reporting requirements under the *Australian Charities and Not-for-profits Commission Act 2012*.

In the Directors' opinion:

- a) The special purpose financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) Complying with Accounting Standards as described in Note 1 to the financial statements and other mandatory professional reporting requirements as detailed above and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (ii) Giving a true and fair view of the Company's financial positions as at 31 December 2022 and its performance for the 18 month period ended on that date in accordance with accounting policies described in Note 1 to the financial statements, and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of Directors.

On behalf of the directors



Mick Wainwright
Treasurer

27 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

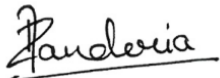
To the Directors of Young Australia League Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor for the audit of Young Australia League Ltd for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Reliance Auditing Services

Reliance Auditing Services (WA) Pty Ltd



Naz Randeria
Managing Director
Perth
27 March 2023

INDEPENDENT AUDITOR'S REPORT
To the Directors of Young Australia League Ltd

Opinion

We have audited the financial report of Young Australia League Ltd ('the Company'), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 1 July 2021 to 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

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

- giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the period then ended; 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 Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ('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 audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* ('the ACNC Act'). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors 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 ACNC Act and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as Directors determine are necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company'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.

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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 judgment and maintain professional scepticism throughout the audit. We also:

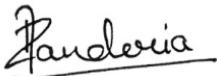
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors, 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.

We confirm that the independence declaration required by the ACNC Act, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

Reliance Auditing Services

Reliance Auditing Services (WA) Pty Ltd



Naz Randeria
Managing Director
Perth
27 March 2023