

AUSTRALASIAN HOUSING INSTITUTE LIMITED

ACN: 097 565 387

**Financial Report For The Year Ended
30 June 2022**

AUSTRALASIAN HOUSING INSTITUTE LIMITED

ACN: 097 565 387

Financial Report For The Year Ended 30 June 2022

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AUSTRALASIAN HOUSING INSTITUTE LIMITED
ACN: 097 565 387
DIRECTORS' REPORT

Your directors present their report on Australasian Housing Institute Limited (the Company) for the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

John Shevlin (Resigned 2 September 2021)
Sean Kelly
Jamie Muchall
Mark Reader (Resigned 30 November 2021)
Andy Dennis
Kim Bomford
Trudi Ray
Matthew Ben Moore
Fiona Matthews (Resigned 29 September 2022)
Christina Hough (Appointed 30 November 2021)
Karen Walsh (Appointed 30 November 2021)

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

Review of Operations

The deficit of the Company for the financial year after providing for income tax amounted to \$169,450 (2021: deficit \$40,956).

New Australian Accounting Standards Implemented

The Company has implemented one new Australian Accounting Standard that is applicable for the current reporting period.

AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has been applied in the current year, resulting in a change in disclosure form and content when compared to the financial statements presented for the year ended 30 June 2021.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the institute during the financial year were to provide its members with regular information relevant to housing professionals, professional development opportunities (mentoring program, practice workshops and master classes, seminars, webinars and networking events), professional certification and recognition of excellence in housing practice (the biennial professional excellence awards).

The Institute developed a new strategic plan (2020-2025) which is providing the overarching guidance of the organisation. It is built on the strategic pillars of Member Engagement, Professional Excellence, Sector Recognition and Business Sustainability. These pillars are underpinned by key strategies and detailed Key Performance Indicators. The Directors monitor the performance against plan on a monthly basis.

Objectives

AHI is the professional body for the social and affordable housing sectors in Australasia, including public and community housing. The Company exists to deliver services to our members to enhance their careers and expand the recognition of the sector through networking events, seminars, workshops, training, industry recognition and professional certification. Ahi products and services are aimed at supporting housing professionals at all stages of their career. Ahi delivers its services across Australia and New Zealand.

The principal objective of the Australasian Housing Institute during the financial year was to provide support and services for its members working in the social housing sector. The objective of the organisation was underpinned by the strategic focus areas of Member Engagement, Professional Excellence, Sector Recognition and Business Sustainability. The detailed activities that support these focus areas are contained within the 2020-2025 AHI Strategic Plan.

Information on Directors

John Shevlin (Resigned 2 September 2021)	—	Director
Qualifications	—	Diploma in Applied Science, Diploma In Maritime Studies, Graduate Diploma in Management and Graduate Certificate in Administration.
Experience	—	John worked for 26 years in the Royal Australian Navy and his experience included roles in command and strategic planning. Afterwards he worked in the Commonwealth Public Service for 10 years including 7 years in senior executive roles with responsibilities for program delivery, procurement, business planning, risk management and audit. He is currently working in the ACT Public Service where he is a Senior Director in Housing ACT where he works in client services.
Special Responsibilities	—	Australian Capital Territory Director

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Sean Kelly	—	Director
Qualifications	—	Graduate Certificate in Social Sciences (Housing Management and Policy)
Experience	—	Sean has worked in housing for over 15 years. Starting as a clerical officer in Northern Ireland, through front line housing management in London, and the development and implementation of strategic government housing policy here in Australia. He is currently the Manager of Housing at Bethanie Housing Limited in Perth. He brings experience in housing management, policy and project delivery to the judging panel. His passion for housing, and the people who deliver housing services can be clearly seen, and he is keen to be part of the evolution of housing services in Australasia.
Special Responsibilities	—	Western Australia Director
Jamie Muchall	—	President
Qualifications	—	BA (Hons) University of Queensland and Company Director's Course, AICD
Experience	—	Jamie is the Chief Operations Officer for Brisbane Housing Company and President of the Australasian Housing Institute. He has previously held roles as State Manager for Horizon Housing and Community Housing Limited in Queensland. With over 14 years' experience in community housing, Jamie has held roles in business development and operational and executive management. Jamie is a passionate member of the AHI Board, Australian Institute of Company Directors and has been a volunteer director of the Community Housing Industry Association Queensland.
Special Responsibilities	—	President
Mark Reader (Resigned 30 November 2021)	—	Director
Qualifications	—	BA (Hons) Social Science Trent University, Chartered Institute of Housing UK Professional Level II and Graduate Sydney Leadership
Experience	—	Mark began working in social housing in the UK in 1986 where he worked for UK Shelter, a refuge for homeless men, three housing associations and a Local Authority Housing Department. It was a good grounding! Upon arrival in Australia in 1994 Mark worked for the NSW Office of Housing Policy and then helped establish City West Housing Pty. Between 1996 and 2015 Mark held senior positions in Housing NSW and the Department of Family and Community Services having responsibility for the development and implementation of community housing programs such as the Property Transfer Program, the Housing and Accommodation Support Initiative, the Community Housing Capital Works Program and the Outsourced Maintenance Program. In 2011 Mark graduated from the Sydney Leadership Program, a unique learning program exploring the dynamics and challenges of exercising adaptive leadership. He left the Department of Family and Community Services in February 2015 and established a consultancy service working with community housing providers (CHP) and their ever expanding community of practice. Between April 2017 and April 2020 Mark worked for two NSW CHPs having responsibility for tenancy and property management, tenant engagement and access and allocations at the first and asset management at the second. In December 2019 Mark was appointed as the NSW representative on the Board of the AHI.
Special Responsibilities	—	New South Wales Director
Andy Dennis	—	Director
Qualifications	—	Professional Diploma in Housing – De-Montfort University (UK) and Graduate Certificate of Social Science (Housing Management and Policy) Swinburne University
Experience	—	Following a social housing career in the UK which started in 1994, Andy came to Australia in 2008 to join the Brisbane Housing Company. He has been the Business Development Manager for Churches of Christ Housing Services Limited since 2013. As a previous member of the Chartered Institute of Housing in the UK he knows the benefit of having a professional association of like-minded people for the sector. In Queensland he will work hard to deliver the AHI's undertaking to enable access to development programs and provide networking opportunities designed to support the Australasian social housing profession now and into the future.
Special Responsibilities	—	Queensland Director

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Kim Bomford	—	Director
Qualifications	—	Graduate Certificate of Social Science (Housing Management & Policy) from Swinburne University
Experience	—	Kim has over 16 years' experience across both the Public and Community Housing Sectors and have worked in areas involving complex policy development and implementation, tenancy and asset management and the leadership of staff in a large and diverse organisation. She is an experienced contributor in matters pertaining to the reform of public and social housing at both a state and national level and a current member of Power Housing, the Shelter Tasmania Policy Group and the Australasian Housing Industry. In her years with the state public housing jurisdiction she worked across a number of areas including Community Relations, Policy and Service Delivery encompassing tenancy, maintenance and local development. Her work there also entailed significant stakeholder relationship management and participation in high level cross departmental forums. In 2013 she accepted a role with Centacare Evolve Housing, responsible for the preparation of its tender submission seeking the management transfer of 1,100 units of public housing stock. This submission was successful, resulting in the transfer of stock across the socio-economically disadvantaged region of Gagebrook, Bridgewater and Herdsman's Cove in southern Tasmania. She was subsequently appointed to the position of State Manager, charged with establishing and leading a new Community Housing Organisation in Tasmania to deliver on the outcomes required under this 10-year funding agreement. In 2016 she commenced working with Housing Choices Tasmania (HCT) as State Manager with responsibility for leading the Tasmanian team in the delivery of tenancy and asset management services together with critical community development outcomes for the organisation. She is also responsible for the successful delivery of our development obligations and have overseen significant growth (a tripling of dwellings) in HCT's owned portfolio. During her time spent within the CHP sector she has been responsible for firstly establishing capacity under the National Regulatory System for Community Housing (NRSCH) and subsequently obtaining compliance as a Tier One Provider and then retaining that compliance standard. Their organisation now manages a portfolio of 1,500 properties state-wide with three placed-based office locations covering Shorewell Park, Devonport and Hobart. She works closely with a highly energised Executive team and is used to working within a skills based Board governance structure. She has excellent connections within the sector and the state housing authority in Tasmania and work collegially with these organisations.
Special Responsibilities	—	Tasmania Director
Trudi Ray	—	Director
Qualifications	—	MBA, Undergraduate Psychology degree, Justice of the Peace and Graduate of the Australian Company's course GAICD
Experience	—	Trudi is responsible for growing and managing Haven; Home, Safe's support services and extensive housing portfolio. Trudi's passion for social justice and strong community spirit extends beyond the workplace into many community and business roles where she strongly advocates for those who are homeless, in housing crisis or fleeing domestic violence. Trudi is an experienced Director of Corporate and operational Services with a demonstrated history of working in the non-profit organisation management industry. Skilled in Housing and Homeless Non-profit Organizations, Housing Management, Leadership, compliance, regulation and compliance. Strong business development professional graduated from La Trobe University.
Special Responsibilities	—	Victoria Director
Matthew Ben Moore	—	Executive Manager Property and Housing (Commenced 2019)
Qualifications	—	UnitingSA
Experience	—	Post Grad Dip Housing Management and Policy
	—	Ben commenced his role overseeing Property and Housing at UnitingSA in December 2019. He has over 21 years' experience in the community services sector and was previously Head of Housing at Anglicare. Ben holds an essential role in growing UnitingSA Housing's portfolio as well as leading the organisations major property and aged care developments. Ben is passionate about the housing sector and is committed to growing the membership and the profile of AHL in South Australia.
Special Responsibilities	—	South Australia Director

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Fiona Matthews (Resigned 29 September 2022)	—	Director
Qualifications	—	B.A. Dip Business Administration
Experience	—	Following a senior management career in Financial services and then Property, Fiona joined The Salvation Army NZ in 2015 to transform the Salvation Army national portfolio from Elderly Housing Units to one of the first Registered Community Housing Provider's in NZ. Fiona is involved in the Salvation Army's large housing developments which means a constant connection to the NZ Government Housing and Urban Development Agency and in addition Community Housing Aotearoa which is NZ's peak body for housing. This means she is able to represent NZ within AHI in a meaningful way. Over the past 8 years, Fiona has built an extensive network within the sector having worked alongside the NZ Public Housing Organisation Kainga Ora, Council Housing in various cities and other Registered Community Housing Providers. Fiona travels extensively throughout the country and has the opportunity to communicate the benefits of AHI membership nationally to providers and others involved in the sector.
Special Responsibilities	—	New Zealand Director
Christina Hough (Appointed 30 November 2021)	—	Director
Qualifications	—	B.A. Science (Hons) in Human Psychology and M.A Business Administration and Social Impact from UNSW AGSM.
Experience	—	Christina joined the WHC in November 2021 as Head, Community Housing Operations, responsible for the development and delivery of strategic objectives and service delivery plans relating to all customer service, housing and property management activities. Christina has over 15 years' of experience working in social and affordable housing operations in Australia and the UK, including senior roles at City West Housing and Bridge Housing. Most recently, Christina oversaw the transition of over 1,000 public housing tenancies on the Northern Beaches over to Bridge Housing management and established the Bridge Housing Northern Beaches Office, in partnership with the WHC.
Special Responsibilities	—	New South Wales Director
Karen Walsh (Appointed 30 November 2021)	—	Director
Qualifications	—	Social worker in 1991 in the UK, and in Australia gained two Masters Degrees - Social Policy (2001) and an Executive Masters, Public Administration – with Merit (2007) ANZSOG, is a Graduate of the Australian Institute of Company Directors (GAICD) and an Honorary Associate of the UTS Institute of Public Policy and Governance.
Experience	—	Karen's career spans over 30 years in the UK and Australia in Government, corporate sector and non-government agencies, including disability and child protection in the UK, almost 9 years in a leading Tier 1 community housing organisation in NSW and 14 years in the NSW State Government and NT Governments in senior and executive roles in Aboriginal, public and community housing. Karen is committed to achieving impact by harnessing the strengths of social purpose and commercial disciplines. She has been instrumental in driving reform and growth initiatives in the Aboriginal and community housing sectors in NSW since 2005/6 and more recently since 2019 in the NT. Prior to moving to the Territory in 2019 Karen was the CEO of Shelter NSW, the housing peak advocacy body. Karen's NT Government roles include Executive Director, Housing Programs, as well as Acting Deputy CEO Housing, Local Government and Community Development. These roles led housing and homelessness programs delivery and service development, urban housing planning and delivery, as well as community housing and program reforms. Karen was also appointed to the role of Registrar of Community Housing NT in June 2020. Karen is passionate about social justice and addressing social and economic disadvantage through innovation, collaboration and partnerships which include all levels of Government, the private and not for profit sectors, and genuine engagement with the community and tenants. Karen has served as a non-executive Director of many not-for profit Boards, including national peak and industry bodies and community housing providers.
Special Responsibilities	—	Northern Territory Director

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DIRECTORS' REPORT

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than those occurred in Note 16.

Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
John Shevlin (Resigned 2 September 2021)	-	2
Sean Kelly	6	9
Jamie Muchall	9	9
Mark Reader (Resigned 30 November 2021)	5	5
Andy Dennis	5	9
Kim Bomford	5	9
Trudi Ray	5	9
Matthew Ben Moore	7	9
Fiona Matthews (Resigned 29 September 2022)	5	9
Christina Hough (Appointed 30 November 2021)	3	4
Karen Walsh (Appointed 30 November 2021)	4	4

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2022, the total amount that members of the entity are liable to contribute if the entity is wound up is \$26,665 (2021: \$20,960).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Director

Jamie Peter Muchall

Dated this 23rd day of November 2022

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO
THE DIRECTORS OF AUSTRALASIAN HOUSING INSTITUTE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit;
and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Kelly Partners (Sydney) Audit Partnership

Kelly Partners (Sydney) Audit Partnership

John Newton

John Newton
Registered Auditor Number 70520
Level 53, 25 Martin Place
SYDNEY NSW 2000

Dated this 23rd day of November 2022

Kelly Partners (Sydney) Audit Partnership ABN 98 119 454 653

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Liability limited by a scheme approved under Professional Standards Legislation

AUSTRALASIAN HOUSING INSTITUTE LIMITED
ACN: 097 565 387
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	\$	\$
Revenue and other income	3	573,489	636,381
Accounting and audit expenses		(33,597)	(33,960)
Employee benefits expense		(411,334)	(348,001)
Interest expense		(5,498)	(3)
Printing, postage and stationery expenses		(372)	(1,001)
Seminar and conference expenses		(37,032)	(32,047)
Subcontractors expense		(195,316)	(176,583)
Telephone, faxes and internet expenses		(8,357)	(5,168)
Website expense		(24,763)	(65,931)
Other expenses		(26,670)	(14,643)
(Deficit) before income tax		(169,450)	(40,956)
Income tax (expense)		-	-
(Deficit) for the year		(169,450)	(40,956)
Other comprehensive income:			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		(169,450)	(40,956)

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		2022	Restated 2021
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	289,100	366,555
Trade and other receivables	7	69,942	15,807
Other current assets	8	3,880	21,488
TOTAL CURRENT ASSETS		362,922	403,850
NON-CURRENT ASSETS			
Property, plant and equipment	9	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		362,922	403,850
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	194,390	114,659
Contract liabilities	11	233,573	183,316
Employee benefits	12	19,721	30,900
TOTAL CURRENT LIABILITIES		447,684	328,875
NON-CURRENT LIABILITIES			
Contract liabilities	11	1,886	-
Employee benefits	12	13,846	6,019
TOTAL NON-CURRENT LIABILITIES		15,732	6,019
TOTAL LIABILITIES		463,416	334,894
(NET DEFICIENCY IN ASSETS) / NET ASSETS		(100,494)	68,956
EQUITY			
Accumulated (deficit) / surplus		(100,494)	68,956
TOTAL EQUITY		(100,494)	68,956

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated (deficit) / surplus	Total
	\$	\$
Balance at 1 July 2020	109,912	109,912
Comprehensive income		
Deficit for the year	(40,956)	(40,956)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(40,956)	(40,956)
Balance at 30 June 2021	68,956	68,956
Comprehensive income		
Deficit for the year	(169,450)	(169,450)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(169,450)	(169,450)
Balance at 30 June 2022	(100,494)	(100,494)

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members and other customers	628,671	665,823
Interest received	158	267
Payments to suppliers and employees	(706,284)	(652,737)
Net cash (used in) / provided by operating activities	<u>(77,455)</u>	<u>13,353</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash (used in) / provided by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (used in) / provided in financing activities	<u>-</u>	<u>-</u>
Net (decrease) / increase in cash held	(77,455)	13,353
Cash and cash equivalents at beginning of financial year	366,555	353,202
Cash and cash equivalents at end of financial year	<u>6</u> <u>289,100</u>	<u>366,555</u>

The accompanying notes form part of these financial statements.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Australasian Housing Institute Limited ("the Company") is a company limited by guarantee, incorporated and domiciled in Australia.

The nature of the Company's operations and its principal activities are to provide its members with regular information relevant to housing professionals, professional development opportunities (mentoring program, practice workshops and master classes, seminars, webinars and networking events), professional certification and recognition of excellence in housing practice (the biennial professional excellence awards).

The financial statements were authorised for issue on 23rd November 2022 by the directors of the Company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

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

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

(a) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Membership fees

Revenue associated with membership fees is recognised over time as services are delivered to the member. This is on the basis that the member simultaneously receives and consumes the benefits during the rendering of the services provided.

Membership fees received in advance of services transferred to members are recognised as a contract liability.

Events registration

Event registration is recognised as revenue over time and is aligned with the duration of the event. This is on the basis that the customer simultaneously receives and consumes the benefits from the event as the service is rendered.

Grants

If specific conditions are attached to the grant, which must be satisfied before the Association is eligible to retain the contribution and where there is an arrangement to refund any grant that are not spent in accordance with the specific conditions under the grant agreement, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied. As conditions are satisfied the grant will be recognised as revenue over time. If there are no specific conditions which must be satisfied, and there is no arrangement to refund the grant, grant revenue is recognised on receipt.

Sponsorships

Revenue from sponsorships is recognised in profit or loss when the Company satisfies performance obligations stated within the sponsorship agreements. If specific conditions are attached to sponsorship, which must be satisfied before the Company is eligible to retain the contribution and where there is an arrangement to refund any sponsorship that is not spent in accordance with the specific conditions under the sponsorship agreement, sponsorship will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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FOR THE YEAR ENDED 30 JUNE 2022

Learning and development

Learning and development is recognised as revenue at a point in time when the customer receives the service, which is generally when the learning and development is provided to customers. At this time the appropriate performance obligation has been satisfied.

Learning and development received in advance of services transferred to members are recognised as a contract liability.

Other income

Interest income is recognised as interest accrues using the effective interest rate method.

Government subsidies are recognised in the period the subsidy relates to.

Other income is recognised at the point in time that all performance obligations have been met.

(b) Income Tax

The Company is a member-based not-for-profit company and, because its Constitution prevents it from distributing profits or assets for the benefit of particular people, both while it is operating and when it winds up, it is on a self-assessment basis exempt from income tax.

(c) Cash and Cash Equivalents

Cash and cash equivalents include deposits held at call with financial institutions 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.

(d) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at amortised cost less any allowance for expected credit losses.

(e) Contract Assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

(f) 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 and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 - 67%

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

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

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

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(g) Financial Instruments

Initial Recognition and Measurement

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.16.

Classification and Subsequent Measurement

Financial assets

Financial assets are subsequently measured at amortised cost.

Measurement is on the basis of two primary criteria:

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

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

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

Financial liabilities

Financial instruments are subsequently measured at amortised cost.

Derecognition

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

Derecognition of financial assets

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

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

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

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

Derecognition of financial liabilities

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

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

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

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

The Company uses the simplified approach to impairment, as applicable under AASB 9.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables that result from transactions within the scope of AASB 15 *Revenue from Contracts with Customers* that do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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FOR THE YEAR ENDED 30 JUNE 2022

Recognition of expected credit losses in financial statements

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

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

(h) Impairment of 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.

(i) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

(j) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost.

(k) Contract Liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

(l) Provisions

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

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables, contract assets and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on translation of are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

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(o) New and Amended Australian Accounting Standards and Interpretations Adopted by the Company

The Company has adopted all of the new or amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

The following Australian Accounting Standards and Interpretations are most relevant to the Company:

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

(p) Comparative Figures

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

(q) Critical Accounting Estimates and Judgements

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

Key judgements - revenue recognition

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(r) Economic Dependency

The Company is dependent on membership fees and NSW state government funding for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors have no reason to believe that the members and the NSW state government will not continue to support the Company.

(s) Going Concern

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

During the year ended 30 June 2022, the Company incurred a net deficit of (\$169,450) (2021: deficit (\$40,956)). As at 30 June 2022 the Company had net deficiency in current assets of (\$84,762) (2021: net current assets of \$74,975) and a net deficiency in assets of (\$100,494) (2021: net assets of \$68,956). Current liabilities include contract liabilities of \$233,573 (2021: \$183,316) which are not refundable and will be recognised as revenue once performance obligations are satisfied and services are transferred to customers.

The directors consider the Company to be a going concern. As a result of the losses sustained due to the reduction in government grants and increases in membership fees in advance due to membership growth, the directors and management have made a range of changes post 30 June 2022, including a significant reduction in staff costs with the departure of the CEO and streamlining of legacy costs that are no longer required. While there was a reduction in revenue, due to the delayed payment of government grants and withdrawal of COVID support, the underlying membership and learning and development revenue reflects a strong underlying business.

Note 2 Prior Year Correction

The prior year statement of financial position was corrected as follows:

Trade and other payables current was reduced by \$183,316 compared to the amount previously stated. The amount was reclassified to contract liabilities current. The amount transferred was made up of membership fees in advance of \$114,180, seminar fees in advance of \$2,889 and learning and development credits of \$66,247. The amount transferred did not represent liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period, but rather the Company's obligation to transfer services to customers.

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FOR THE YEAR ENDED 30 JUNE 2022

Note 3 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of profit or loss.

		2022 \$	2021 \$
Revenue from contracts with customers	3(a)	573,331	585,811
Other income	3(b)	158	50,570
		<u>573,489</u>	<u>636,381</u>

(a) Revenue from contracts with customers

The Company has disaggregated revenue into various categories in the following table:

— Membership fees	244,014	226,210
— Events registration	21,147	55,275
— Grants		
NSW Government - Department of Communities and Justice	-	120,000
— Sponsorships	8,700	24,349
— Learning and development	299,470	159,977
	<u>573,331</u>	<u>585,811</u>

Timing of revenue recognition

Products and services transferred to customers:

— at a point in time	299,470	159,977
— over time	273,861	305,834
	<u>573,331</u>	<u>465,811</u>

(b) Other income

Interest received	158	267
Government subsidies - COVID 19	-	50,000
Sundry income	-	303
Total other income	<u>158</u>	<u>50,570</u>

Note 4 Expenses

	2022 \$	2021 \$
(Deficit) before income tax from continuing operations includes the following specific expenses:		
Interest expense	5,498	3
Depreciation - plant and Equipment	-	1,041
Superannuation expenses	37,016	27,651
	<u>42,514</u>	<u>28,695</u>

Note 5 Auditor's Remuneration

	2022 \$	2021 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial statements	9,500	9,000
	<u>9,500</u>	<u>9,000</u>

Note 6 Cash and Cash Equivalents

	2022 \$	2021 \$
CURRENT		
Cash at bank	289,100	366,555
	<u>289,100</u>	<u>366,555</u>

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Note 7 Trade and Other Receivables

	2022 \$	2021 \$
CURRENT		
Trade receivables	69,942	15,731
Less: Provision for impairment	-	-
	<u>69,942</u>	<u>15,731</u>
Other receivables	-	76
Total current trade and other receivables	<u><u>69,942</u></u>	<u><u>15,807</u></u>

Note 8 Other Assets

	2022 \$	2021 \$
CURRENT		
Prepayments	3,880	21,488
	<u>3,880</u>	<u>21,488</u>

Note 9 Property, Plant and Equipment

	2022 \$	2021 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,353	6,439
Less: Accumulated depreciation	<u>(2,353)</u>	<u>(6,439)</u>
	<u>-</u>	<u>-</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Total \$
Balance at 1 July 2020	1,041	1,041
Depreciation expense	<u>(1,041)</u>	<u>(1,041)</u>
Carrying amount at 30 June 2021	-	-
Balance at 1 July 2021	-	-
Carrying amount at 30 June 2022	<u>-</u>	<u>-</u>

A total of \$4,086 of fully depreciated plant and equipment was disposed of during the year for \$Nil consideration.

Note 10 Trade and Other Payables

	2022 \$	2021 \$
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	122,689	22,611
Sundry payables and accrued expenses	48,707	58,225
GST payable	16,835	25,158
Credit card payable	6,159	8,665
	<u>194,390</u>	<u>114,659</u>

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 11 Contract Liabilities

The Company has recognised the following revenue-related contract liabilities.

	2022	2021
	\$	\$
Membership fees in advance	122,887	114,180
Learning and development credits	112,572	66,247
Seminar fees in advance	-	2,889
	<u>235,459</u>	<u>183,316</u>
Current	233,573	183,316
Non-current	1,886	-
	<u>235,459</u>	<u>183,316</u>

Note 12 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Annual leave	19,721	30,900
	<u>19,721</u>	<u>30,900</u>
NON-CURRENT		
Long service leave	13,846	6,019
	<u>13,846</u>	<u>6,019</u>

Note 13 Contingent Liabilities and Contingent Assets

The Company had no contingent liabilities and assets as at 30 June 2022 and 30 June 2021.

Note 14 Commitments

The Company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Note 15 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

	2022	2021
	\$	\$
Key management personnel - aggregate compensation	162,824	190,250
	<u>162,824</u>	<u>190,250</u>

Note 16 Events After the Reporting Period

No matter or circumstance has arisen since 30 June 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.

Note 17 Related Party Transactions

The Company's main related parties are as follows:

(a) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Compensation.

(b) Other related parties:

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions with related parties:

There were no transactions with related parties during the current and previous financial year, other than the payment of key management personnel compensation per Note 15.

AUSTRALASIAN HOUSING INSTITUTE LIMITED
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Note 18 Financial Instruments

The Company's financial instruments consist mainly of deposits with banks, trade receivables, trade payables and contract liabilities.

The total amount for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	2022	2021
	\$	\$
Financial assets at amortised cost	359,042	382,286
Financial liabilities at amortised cost	358,148	205,927

Note 19 Members' Guarantee

The Company is limited by guarantee, incorporated and domiciled in Australia. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30th June 2022 the number of members was 2,665 (2021: 2,096).

Note 20 Company Details

The Company is domiciled and incorporated in Australia. The registered office and principal place of business of the Company is:

Australasian Housing Institute Limited
Accounting for Good, Level 1, 241-243
Castlereagh Street, Sydney NSW 2000
Australia

AUSTRALASIAN HOUSING INSTITUTE LIMITED

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DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures; and.
 - (b) give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Jamie Muchall

Dated this 23rd day of November 2022

AUSTRALASIAN HOUSING INSTITUTE LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALASIAN HOUSING INSTITUTE LIMITED

Opinion

We have audited the financial report of Australasian Housing Institute Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australasian Housing Institute Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 confirm that the independence declaration required by the *Corporations Act 2001*, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(s) in the financial report, which indicates that Company incurred a net deficit of \$169,450 during the year ended 30 June 2022 and as of that date, the Company's current liabilities exceeded its current assets by \$84,762 (2021: net current assets \$74,975) and the Company had a deficiency of net assets of \$100,494 (2021: net assets \$68,956). These conditions, along with other matters as set forth in Note 1(s), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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' 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.

KELLY+PARTNERS

CHARTERED ACCOUNTANTS

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kelly Partners (Sydney) Audit Partnership

Kelly Partners (Sydney) Audit Partnership

John Newton

John Newton
Registered Auditor Number 70520
Level 53, 25 Martin Place
SYDNEY NSW 2000

Dated this 23rd day of November 2022