

# **Ryde Family Support Services TA The Northern Centre**

**ABN: 69 200 106 557**

## **Financial Statements**

**For the Year Ended 30 June 2020**

# Ryde Family Support Services TA The Northern Centre

ABN: 69 200 106 557

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For the Year Ended 30 June 2020

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# Ryde Family Support Services TA The Northern Centre

ABN: 69 200 106 557

## Committee's Report

30 June 2020

Your committee members submit the financial report of Ryde Family Support Services TA The Northern Centre for the financial year ended 30 June 2020.

### Committee members

The names of committee members throughout the year and at the date of this report are:

Christopher Hellmundt	President
Daniel Bofinger	Treasurer
Philip Bickerstaff	Vice Chairperson
Margaret O'Hearn	Public Officer
Anne-Marie Maxwell	Committee Member
Serena Cheung	Committee Member
Barry Apfelbaum	Committee Member
Alex Xenos	Committee Member
Cate Sinclair	Executive Officer

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

### Principal activities

The principal activities of the Association during the financial year were to provide a range of early intervention and prevention services for vulnerable families, children and young people.

No significant changes in the nature of the Association's activity occurred during the financial year.

### Review of operations

The profit of the Association for the financial year ended 30 June 2020 after providing for income tax amounted to \$132,291 (2019: \$24,006).

### Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### Options

No options over issued shares or interests in the Association were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

## **Committee's Report**

**30 June 2020**

### **Future developments and results**

Likely developments in the operations of the Association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

### **Covid-19 impact**

On January 30, 2020, the World Health Organisation declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Association's operations, suppliers or other vendors and customers. The operations of the Association could be negatively impacted by the regional and global outbreak of COVID-19 and may impact the Association's financial position and operating results, however the magnitude will be determined by the duration of COVID-19.

The Association will monitor the ongoing developments and be proactive in mitigating the impact on its operations. Notwithstanding, the Association expects there may be an impact as a result of these events into the new year, however the magnitude will be determined by the duration of COVID-19.

### **Events after the reporting date**

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

### **Environmental issues**

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

### **Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Ryde Family Support Services TA The Northern Centre.

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



Christopher Hellmundt - President



Daniel Bofinger - Treasurer

Dated 14 October 2020

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of The Northern Centre Inc for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink that reads "C J Hume".

**C J HUME**  
Partner

Sydney, NSW

Dated: 14 October 2020

## Ryde Family Support Services TA The Northern Centre

ABN: 69 200 106 557

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>INCOME</b>		
Operating grant - NSW Department of Family and Community Services	576,675	569,391
Services Revenue - NSDEIPP	548,055	534,833
Grants - others	41,351	44,093
Interest	1,427	1,586
JobKeeper payments	72,000	-
Cashflow boost	62,500	-
Other income	41,031	20,333
	<b>1,343,039</b>	<b>1,170,236</b>
<b>EXPENDITURE</b>		
Accounting	(18,326)	(19,202)
Administration expenses	(115,418)	(107,959)
Audit	(6,906)	(5,000)
Amortisation and depreciation expenses	(46,034)	(15,156)
Client brokerage	(29,912)	(32,021)
Equipment	(4,356)	(76)
Insurance	(5,422)	(5,245)
Motor vehicle expenses	(7,495)	(8,419)
Postage, printing and stationery	(5,942)	(5,126)
Rental expenses	-	(9,368)
Staff and client amenities	(17,794)	(11,507)
Subscription and memberships	(3,258)	(4,854)
Superannuation	(75,470)	(74,389)
Telephone	(16,107)	(8,801)
Wages	(851,476)	(839,107)
Lease interest expenses	(6,832)	-
<b>Profit before income tax</b>	<b>132,291</b>	<b>24,006</b>
Income tax expenses	-	-
<b>Profit for the year</b>	<b>132,291</b>	<b>24,006</b>
<b>Retained profits at the beginning of the financial year</b>	<b>209,509</b>	<b>185,503</b>
<b>Retained profits at the end of the financial year</b>	<b>341,800</b>	<b>209,509</b>

The accompanying notes form part of these financial statements.

## Ryde Family Support Services TA The Northern Centre

ABN: 69 200 106 557

### Statement of Financial Position

As At 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	388,006	319,808
Trade and other receivables	5	39,609	12,259
<b>TOTAL CURRENT ASSETS</b>		<b>427,615</b>	<b>332,067</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	30,344	36,692
Right-of-use assets	7	140,902	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>171,246</b>	<b>36,692</b>
<b>TOTAL ASSETS</b>		<b>598,861</b>	<b>368,759</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	32,629	67,936
Grants received in advance	9	22,793	28,804
Provisions	10	57,936	52,944
Lease liabilities	11	33,883	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>147,241</b>	<b>149,684</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	-	9,566
Lease liabilities	11	109,820	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>109,820</b>	<b>9,566</b>
<b>TOTAL LIABILITIES</b>		<b>257,061</b>	<b>159,250</b>
<b>NET ASSETS</b>		<b>341,800</b>	<b>209,509</b>
<b>MEMBER'S FUNDS</b>			
Retained profits		341,800	209,509
<b>TOTAL MEMBER'S FUNDS</b>		<b>341,800</b>	<b>209,509</b>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1 Summary of Significant Accounting Policies**

##### **Basis of preparation**

This financial report is a special purpose financial report prepared in order to satisfy the Australian Charities and Not for Profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

##### **(a) Revenue and other income**

Revenue is recognised where it is probable that the economic benefit will flow to the Incorporated Association and the revenue can be reliably measured revenue is measured of the fair value of the consideration received or receivable.

##### *Grants*

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

##### *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.

##### **(b) Income Tax**

Ryde Family Support Services TA The Northern Centre being a benevolent Association, is exempt from income tax under the Division 50 of the Income Tax Assessment Act 1997.

##### **(c) Cash and cash equivalents**

Cash and cash equivalents includes cash at bank.

##### **(d) Trade and other receivables**

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

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



## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies (continued)

##### (e) Property, plant and equipment

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

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:

Fixed asset class	Depreciation rate
Plant and Equipment	2.5% - 10%
Motor Vehicles	25%
Leasehold improvements	10% - 20%

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

##### (f) Leases

The Association 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.

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

##### i) Right-of-use assets

The Association 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.

If ownership of the leased asset transfers to the Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2(g) Impairment of non-financial assets.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(f) Leases (continued)**

###### **ii) Lease liabilities**

At the commencement date of the lease, the Association 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 Association and payments of penalties for terminating the lease, if the lease term reflects the Association 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 Association 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.

###### **iii) Short-term leases and leases of low-value assets**

The Association applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 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.

##### **(g) Impairment of non-financial assets**

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

##### **(h) Trade and other payables**

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(i) Employee benefits**

Provision is made for the Association's liability for annual leave and long service leave arising from services rendered by the employees to the reporting date. Provision for long service leave is accrued only in respect of those employees who have completed five years' service. This is a provision only and actual liability will depend on legal entitlements in each case. Liabilities have not been discounted to their present values.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred. The Association has no legal obligation to provide superannuation benefits to employees on retirement.

##### **(j) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

##### **(k) Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies (continued)

##### (I) New and amended standards and interpretations

###### (i) New and amended standards and interpretations

The Association applied AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

###### *AASB 16 Leases*

The Association has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in depreciation and amortisation expenses) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in financing activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. AASB 16 was adopted using the simplified modified retrospective approach, the Association has elected to recognise a lease liability and a right-of-use asset of equal value on the initial application for leases, as permitted on adoption of the standard. Therefore there is no impact on opening retained earnings.

###### (ii) Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting year ended 30 June 2020. The committees have not early adopted any of these new amended standards and interpretations. The committees are in the process of assessing the impact of the applications of the standard and its amendment to the extent relevant to the financial statement of the Association.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Critical Accounting Estimates and Judgments**

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

##### **Key estimates - Determining the lease term of contracts with renewal and termination options**

The Association determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Association has a lease contract that includes extension and termination options. The Association applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Association reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 3 Audit Fees

	2020	2019
	\$	\$
Audit fees	5,700	5,500

#### 4 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	388,006	319,808

#### 5 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade debtors	15,730	75
Other debtors	23,879	12,184
	39,609	12,259

#### 6 Property, Plant and Equipment

	2020	2019
	\$	\$
Plant and equipment		
At cost	55,017	52,755
Accumulated depreciation	(50,447)	(44,442)
	4,570	8,313
<i>Motor vehicles</i>		
At cost	18,392	18,392
Accumulated depreciation	(12,573)	(10,633)
	5,819	7,759
<i>Leasehold Improvements</i>		
At cost	22,569	22,569
Accumulated amortisation	(2,614)	(1,949)
	19,955	20,620
	30,344	36,692

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 7 Right-of-use Assets

	2020	2019
	\$	\$
<i>Office premises</i>		
At cost	176,127	-
Accumulated depreciation	(35,225)	-
	<u>140,902</u>	<u>-</u>

#### 8 Trade and Other Payables

	2020	2019
	\$	\$
Other creditors	32,629	67,936
	<u>32,629</u>	<u>67,936</u>

#### 9 Grants Received in Advance

	2020	2019
	\$	\$
Grants received in advance	22,793	28,804
	<u>22,793</u>	<u>28,804</u>

#### 10 Provisions

	2020	2019
	\$	\$
Current	57,936	52,944
Non-current	-	9,566
	<u>57,936</u>	<u>62,510</u>

#### 11 Lease Liabilities

	2020	2019
	\$	\$
CURRENT		
Lease liabilities	33,883	-
NON-CURRENT		
Lease liabilities	109,820	-
	<u>109,820</u>	<u>-</u>

#### 12 Contingent Liabilities

There are no contingent liabilities known to the Committee as at 30 June 2020 (2019: nil).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **13 Member's Liability**

Ryde Family Support Services TA The Northern Centre is registered as an Incorporated Association and accordingly the members of the Association have no liability to contribute towards the payment of debts and liabilities of the Association or the costs, charges and expenses of the winding up of the Association.

The Association has taken out Public Liability Insurance cover for the sum of \$40,000,000.

#### **14 Economic Dependency**

The entity's existing contract with the Early Intervention and Prevention program (family and individual support) with FACS ended June 20 2020 and formalised a new agreement with FACS (now DCJ) for delivery of the TEI program commencing 1 July 2020 for 5 years. The entity renewed the Mission Australia subcontract for 1 year commencing 1 July 2020 and ending 30 June 2021

#### **15 Commitments**

The Association had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

#### **16 Related Party Transactions**

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

#### **17 Covid-19 Impact**

On January 30, 2020, the World Health Organisation declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Association's operations, suppliers or other vendors and customers. The operations of the Association could be negatively impacted by the regional and global outbreak of COVID-19 and may impact the Association's financial position and operating results, however the magnitude will be determined by the duration of COVID-19.

The Association will monitor the ongoing developments and be proactive in mitigating the impact on its operations. Notwithstanding, the Association expects there may be an impact as a result of these events into the new year, however the magnitude will be determined by the duration of COVID-19.

#### **18 Events Occurring After the Reporting Date**

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

#### **19 Statutory Information**

The registered office of the association is:

Unit 12, Level 3  
3-5 Anthony Road West Ryde  
Sydney NSW 2114



## **Declaration by Members of the Committee**

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee:

1. The financial statements and notes, as set out on pages 4 to 14:
  - (a) comply with Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the committee's opinion, there are reasonable grounds to believe that the Association 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 Committee and is signed for and on behalf of the Committee by:



Christopher Hellmundt - President



Daniel Bofinger - Treasurer

Dated 14 October 2020

RSM Australia Pty Ltd

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## INDEPENDENT AUDITOR'S REPORT To the Members of The Northern Centre Inc.

### Opinion

We have audited the financial report of The Northern Centre Inc., which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the financial report of The Northern Centre Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- (b) 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 The Northern Centre Inc. in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Northern Centre Inc. to meet the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012. 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 Management and Those Charged with Governance for the Financial Report**

The members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the members 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, members are responsible for assessing The Northern Centre Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Northern Centre Inc. or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in blue ink, appearing to read 'C J Hume'.

**C J HUME**  
Director

**RSM Australia**

Sydney, 14 October 2020