

THE CHURCHES OF CHRIST PROPERTY TRUST
ABN 73 068 989 953

FINANCIAL REPORT - 30 JUNE 2022

CONTENTS

Statement of Financial Position	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Changes in Funds	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Officeholders' Declaration	11
Auditor's Independence Declaration	12
Independent Auditor's Report	13

THE CHURCHES OF CHRIST PROPERTY TRUST**ABN 73 068 989 953****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,718,294	589,735
Trade and other receivables	7	161,932	52,091
Financial assets	8	19,852,853	20,311,172
<i>Total current assets</i>		<u>21,733,079</u>	<u>20,952,998</u>
Non-current assets			
Trade and other receivables	7	6,048,476	6,338,024
Property, plant and equipment	9	-	570,000
<i>Total non-current assets</i>		<u>6,048,476</u>	<u>6,908,024</u>
TOTAL ASSETS		<u>27,781,555</u>	<u>27,861,022</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	585,139	581,901
Borrowings	11	16,870,984	14,846,468
<i>Total current liabilities</i>		<u>17,456,123</u>	<u>15,428,369</u>
Non-current liabilities			
Borrowings	11	4,161,286	4,739,250
<i>Total non-current liabilities</i>		<u>4,161,286</u>	<u>4,739,250</u>
TOTAL LIABILITIES		<u>21,617,409</u>	<u>20,167,619</u>
NET ASSETS		<u>6,164,146</u>	<u>7,693,403</u>
FUNDS			
Accumulated funds		<u>6,164,146</u>	<u>7,693,403</u>
TOTAL FUNDS		<u>6,164,146</u>	<u>7,693,403</u>

The accompanying notes form part of these financial statements

THE CHURCHES OF CHRIST PROPERTY TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue	4	1,362,842	2,808,097
		<u>1,362,842</u>	<u>2,808,097</u>
Expenses			
Administration expenses		(188,108)	(221,252)
Fair value loss on financial assets	5	(2,133,609)	-
Finance costs		(407,170)	(385,831)
Salaries and employee benefits		(128,596)	(137,547)
Other expenses		(34,616)	(2,732)
		<u>(2,892,099)</u>	<u>(747,362)</u>
Surplus (deficit) before income tax		(1,529,257)	2,060,735
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Surplus (deficit) for the year		(1,529,257)	2,060,735
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the year		<u><u>(1,529,257)</u></u>	<u><u>2,060,735</u></u>

The accompanying notes form part of these financial statements

THE CHURCHES OF CHRIST PROPERTY TRUSTSTATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated Funds \$	Total \$
Balance at 1 July 2020	5,632,668	5,632,668
Comprehensive income		
Surplus for the year	2,060,735	2,060,735
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,060,735</u>	<u>2,060,735</u>
Balance at 30 June 2021	<u>7,693,403</u>	<u>7,693,403</u>
Balance at 1 July 2021	7,693,403	7,693,403
Comprehensive income		
Surplus (deficit) for the year	(1,529,257)	(1,529,257)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	<u>(1,529,257)</u>	<u>(1,529,257)</u>
Balance at 30 June 2022	<u>6,164,146</u>	<u>6,164,146</u>

The accompanying notes form part of these financial statements

THE CHURCHES OF CHRIST PROPERTY TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and donations		275,585	2,358,091
Payments to suppliers		(851,130)	(1,036,173)
Interest received		251,099	274,223
Investment income received		681,850	402,291
<i>Net cash flows from operating activities</i>		<u>357,404</u>	<u>1,998,432</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		825,598	-
Proceeds from sale of financial assets		2,838,088	7,697,322
Purchase of financial assets		(4,339,083)	(11,190,294)
<i>Net cash flows from investing activities</i>		<u>(675,397)</u>	<u>(3,492,972)</u>
Cash flows from financing activities			
Proceeds from borrowings - depositors		17,576,549	20,456,014
Repayment of borrowings - depositors		(16,129,997)	(18,971,412)
<i>Net cash flows from financing activities</i>		<u>1,446,552</u>	<u>1,484,602</u>
Net increase (decrease) in cash and cash equivalents		1,128,559	(9,938)
Cash and cash equivalents at the beginning of the financial year		<u>589,735</u>	<u>599,673</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,718,294</u></u>	<u><u>589,735</u></u>

The accompanying notes form part of these financial statements

THE CHURCHES OF CHRIST PROPERTY TRUST**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 1 - Corporate information**

The financial report includes the financial statements and notes of The Churches of Christ Property Trust (the entity) for the year ended 30 June 2022. The entity is registered under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012* and is domiciled in Australia.

The Property Trust is the owner of church property and acts as trustee for affiliated churches under the terms of *Churches of Christ in New South Wales Incorporation Act 1947* (the 1947 Act). The Property Trust holds church property on trust and The Property Trust holds church property on trust and for the benefit of individual churches and Churches of Christ agencies.

The registered address and principal place of business of the entity is:

Suite 301
1B Homebush Bay Drive
Rhodes NSW 2138

The financial statements were approved by the Officeholders on 27 October 2022.

Note 2 - Basis of preparation***Statement of compliance***

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The entity is a not-for-profit entity for the purposes of preparing these financial statements.

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has had no significant impact on the financial statements because the entity's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals 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.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the entity has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Officeholders 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 entity.

Key estimates***Impairment***

The Officeholders assess impairment at the end of each reporting period by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

THE CHURCHES OF CHRIST PROPERTY TRUST**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies**

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

Income tax

The entity has received written endorsement as an income tax exempt charity from the Australian Taxation Office and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

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 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.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Donations and bequests

Revenue arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received

Investment income

Investment income is measured at the fair value of the consideration received or receivable and is recognised when the entity's right to receive the payment has been established.

Interest

Revenue from interest is recognised on an accrual's basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. The entity had no bank overdraft at the balance date or prior years.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

THE CHURCHES OF CHRIST PROPERTY TRUST**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****Property, plant and equipment*****Recognition and measurement**

Land is carried at deemed cost.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Impairment

Property, plant and equipment including land are subject to the entity's policy for impairment review whereby an asset is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

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.

Financial instruments**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the entity commits itself to either purchase or sell the asset. Financial instruments 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement***Financial assets***

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset
- The business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- The financial asset is managed solely to collect contractual cash flows
- 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

THE CHURCHES OF CHRIST PROPERTY TRUST**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies*****Financial instruments (continued)******Fair value through other comprehensive income***

Investments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital. By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. 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 Directors consider a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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.

Amounts owing to depositors

Amounts owing to depositors are carried at the amount due to be reimbursed to beneficiaries. Amounts are not discounted to present value.

Amounts held in trust

Amounts held in trust are amounts that have been given to the Churches of Christ Property Trust with a specific purpose. The trust deeds for each trust are monitored on an annual basis to ensure that the distributions have been made in accordance with each individual trust. These funds are invested, including in listed instruments. The trust deeds require that any income is distributed to the beneficiary. Accordingly, income generated, including gains/losses are recognised in amount held in trust and not in surplus deficit.

THE CHURCHES OF CHRIST PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<u>Note 4 - Revenue</u>		
Revenue		
Bequests	-	570,000
Interest income	251,099	274,223
Investment income	681,850	402,291
Fair value gain on financial assets	-	1,314,354
Gain on disposal of financial assets	174,295	247,229
Gain on disposal of property, plant and equipment	255,598	-
<i>Total revenue</i>	<u>1,362,842</u>	<u>2,808,097</u>
<u>Note 5 - Expenses</u>		
Fair value loss on financial assets	2,133,609	-
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank	<u>1,718,294</u>	<u>589,735</u>
<i>Total cash and cash equivalents</i>	<u>1,718,294</u>	<u>589,735</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Current</u>		
Trade receivables	121,215	-
Other receivables	40,717	51,785
Prepayments	-	306
<i>Total current trade and other receivables</i>	<u>161,932</u>	<u>52,091</u>
<u>Non-current</u>		
Loans receivable	<u>6,048,476</u>	<u>6,338,024</u>
<i>Total non-current trade and other receivables</i>	<u>6,048,476</u>	<u>6,338,024</u>
<u>Note 8 - Financial assets</u>		
<u>Current</u>		
Financial assets at fair value through profit and loss		
Managed funds	<u>19,852,853</u>	<u>20,311,172</u>
<i>Total financial assets</i>	<u>19,852,853</u>	<u>20,311,172</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	20,311,172	15,256,617
Additions	4,339,083	11,190,294
Disposals	(2,663,793)	(7,450,093)
Fair value movement	(2,133,609)	1,314,354
Closing net carrying amount	<u>19,852,853</u>	<u>20,311,172</u>

THE CHURCHES OF CHRIST PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<u>Note 9 - Property, plant and equipment</u>		
<u>Land</u>		
Cost	-	570,000
<i>Net carrying amount</i>	-	570,000
<u>Movements in carrying amounts</u>		
Opening net carrying amount	570,000	-
Additions	-	570,000
Disposals	(570,000)	-
Closing net carrying amount	-	570,000
<u>Note 10 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	577,339	575,113
Other payables	7,800	6,788
<i>Total current trade and other payables</i>	585,139	581,901
<u>Note 11 - Borrowings</u>		
<u>Current</u>		
Amounts owing to depositors	16,870,984	14,846,468
<i>Total current borrowings</i>	16,870,984	14,846,468
<u>Non-current</u>		
Amounts owing to depositors	4,161,286	4,739,250
<i>Total non-current borrowings</i>	4,161,286	4,739,250
<u>Movements in carrying amounts</u>		
Additions	19,585,718	18,101,116
Proceeds	17,576,549	20,456,014
Repayments	(16,129,997)	(18,971,412)
Closing net carrying amount	21,032,270	19,585,718

Note 12 - Commitments

The entity did not have any capital commitments at 30 June 2022 (2021: \$0).

Note 13 - Events occurring after the reporting period

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic.

At the date of signing the financial statements the Officeholders are unable to determine what financial effects the outbreak of the virus could have on the entity in the coming financial period.

The Officeholders acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

No other significant events have occurred after balance date.

THE CHURCHES OF CHRIST PROPERTY TRUST
ABN 15 456 763 245

FINANCIAL REPORT - 30 JUNE 2022

OFFICEHOLDERS' DECLARATION


The Officeholders of The Churches of Christ Property Trust declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds, statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Churches of Christ in New South Wales Incorporation Act 1947*:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Churches of Christ in New South Wales Incorporation Act 1947*; and
 - (b) give a true and fair view of the financial position of the entity as at 30 June 2022 and of its performance for the year ended on that date.
2. In the opinion of the Officeholders, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Officeholders:



Steven Martin
Chairman



Allan Vincent
Deputy-Chairman

Sydney, 27 October 2022

THE CHURCHES OF CHRIST PROPERTY TRUST
ABN 73 068 989 953

FINANCIAL REPORT - 30 JUNE 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF THE CHURCHES OF CHRIST PROPERTY TRUST

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

- (a) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

StewartBrown
Chartered Accountants

S.J. Hutcheon
Partner

27 October 2022

THE CHURCHES OF CHRIST PROPERTY TRUST

ABN 73 068 989 953

FINANCIAL REPORT - 30 JUNE 2022

**INDEPENDENT AUDITOR'S REPORT TO THE OFFICEHOLDERS OF
THE CHURCHES OF CHRIST PROPERTY TRUST**

Opinion

We have audited the financial report of Churches of Christ Property Trust which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Officeholders' Declaration.

In our opinion, the accompanying financial report of Churches of Christ Property Trust is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Churches of Christ in New South Wales Incorporation Act 1947*, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Churches of Christ in New South Wales Incorporation Act 1947*

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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Officeholders of the entity, would be in the same terms if given to the Officeholders 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.

Officeholders' Responsibility for the Financial Report

The Officeholders of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Churches of Christ in New South Wales Incorporation Act 1947* and for such internal control as the Officeholders determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Officeholders are responsible for overseeing the entity's financial reporting process.

THE CHURCHES OF CHRIST PROPERTY TRUST**ABN 73 068 989 953****FINANCIAL REPORT - 30 JUNE 2022****INDEPENDENT AUDITOR'S REPORT TO THE OFFICEHOLDERS OF
THE CHURCHES OF CHRIST PROPERTY TRUST*****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* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Officeholders 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.

StewartBrown

Chartered Accountants

S.J. Hutcheon

Partner

27 October 2022