



**ISAAC AFFORDABLE HOUSING FUND PTY. LTD.**  
A.C.N. 147 492 993

**AS TRUSTEE FOR**

**ISAAC AFFORDABLE HOUSING TRUST**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Page</b>
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to and forming part of the Financial Statements	6
Annual Declaration of the Trustee	12
Independent Auditor's Report	13

The Financial Statements of the ISAAC AFFORDABLE HOUSING TRUST are special purpose financial reports prepared in accordance with the prescribed requirements per Note 2 of the financial statements.

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Comprehensive Income**  
**For the year ended 30th June 2021**

	Notes	2021	2020
<b>Income</b>			
Revenue and Other Income			
Rent Received		154,238	139,328
Interest Income		8,126	26,976
National Rental Affordability Scheme Income		106,618	108,209
Miscellaneous Income		-	2,592
Revaluation of Land and Buildings		<u>2,533,082</u>	<u>-</u>
<b>Total Income</b>		<b><u>2,802,064</u></b>	<b><u>277,105</u></b>
<b>Expenses</b>			
Audit Fees- Building		-	9,240
Bank Fees		278	255
Depreciation		37,008	37,112
Fees & Subscriptions		286	267
Interest		23,553	23,439
Legal Fees		-	2,193
Office Supplies		1,953	-
Property Management	4	59,545	119,658
QAO Audit Fees		18,640	7,000
Rates		92,140	91,342
Research Projects		7,280	15,000
Secretarial and Accounting Fees	3	55,821	56,317
<b>Total Expenses</b>		<b><u>296,504</u></b>	<b><u>361,823</u></b>
<b>Operating Surplus/(Deficit)</b>		<b><u>2,505,560</u></b>	<b><u>(84,718)</u></b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to operating surplus/(deficit)</i>			
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income</b>		<b><u>2,505,560</u></b>	<b><u>(84,718)</u></b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Financial Position**  
**As at 30th June 2021**

	Notes	2021	2020
<b>Current Assets</b>			
Cash on Hand		10	10
Cash at Bank		2,181,774	2,175,790
Receivables	5	4,881	3,010
Contract Assets		106,525	108,209
<b>Total Current Assets</b>		2,293,190	2,287,019
<b>Non Current Assets</b>			
Property, Plant and Equipment	6	5,373,698	2,837,355
<b>Total Non Current Assets</b>		5,373,698	2,837,355
<b>Total Assets</b>		7,666,888	5,124,374
<b>Current Liabilities</b>			
Accrued Expenses	7	12,000	7,000
Payables	8	15,194	6,793
<b>Total Current Liabilities</b>		27,194	13,793
<b>Non Current liabilities</b>			
Secured Loan	9	4,879,019	4,855,466
<b>Total non Current Liabilities</b>		4,879,019	4,855,466
<b>Total Liabilities</b>		4,906,213	4,869,259
<b>Net Assets</b>		2,760,675	255,115
<b>Equity</b>			
Settlement Sum		10	10
Retained Earnings		2,760,665	255,105
<b>Net Equity</b>		2,760,675	255,115

The Statement of Financial Position should be read in conjunction with the accompanying notes

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Changes in Equity**  
**For the year ended 30th June 2021**

	Settlement Sum	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	10	-	272,670	272,680
Adjustment on initial application of AASB 15/ AASB 1058	-	-	67,153	67,153
<b>Restated balance at 1 July 2019</b>	10	-	339,823	339,833
Operating Deficit	-	-	(84,718)	(84,718)
<b>Balance as at 30 June 2020</b>	<b>10</b>	<b>-</b>	<b>255,105</b>	<b>255,115</b>
	Settlement Sum	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	10	-	255,105	255,115
Operating Surplus	-	-	2,505,560	2,505,560
<b>Balance as at 30 June 2021</b>	<b>10</b>	<b>-</b>	<b>2,760,665</b>	<b>2,760,675</b>

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Cash Flows**  
**For the year ended 30th June 2021**

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<b>Inflows</b>			
Receipts from Customers		152,367	142,057
Interest		8,126	26,976
Grants, Subsidies, Contributions and Donations		108,301	67,153
Miscellaneous Income		-	2,592
Net GST Received		6,298	13,158
<b>Outflows</b>			
Operating Expenses		(228,840)	(330,303)
<b>Net cash provided by operating activities</b>	<b>10</b>	<u><b>46,252</b></u>	<u><b>(78,367)</b></u>
<b>Cash flows from investing activities</b>			
<b>Outflows</b>			
Payments for Property, Plant and Equipment		(40,268)	(38,480)
<b>Net cash provided by investing activities</b>		<u><b>(40,268)</b></u>	<u><b>(38,480)</b></u>
<b>Net increase in cash and cash equivalents</b>		<u><b>5,984</b></u>	<u><b>(116,847)</b></u>
<b>Cash at beginning of financial period</b>		<u><b>2,175,790</b></u>	<u><b>2,292,637</b></u>
<b>Cash at end of financial period</b>		<u><u><b>2,181,774</b></u></u>	<u><u><b>2,175,790</b></u></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2021**

**1. Objectives of the Trust**

The Isaac Affordable Housing Trust was settled on the 25th November 2010 for the purpose of receipting all gifts of money, or real and personal property for the following objectives of the Trust:

- (a) The establishment of affordable housing for low to middle income tenants.
- (b) The construction and development of the said affordable housing.
- (c) To establish and maintain a public fund to be called the "Isaac Affordable Housing Fund" for the specific purpose of supporting the objectives of the Trust. The Trust is established to receive all gifts of money or property for this purpose and any money received because of such gifts must be credited to its bank account in accordance with section 30-130 of the *Income Tax Assessment Act 1997*.

**2. Summary of Significant Accounting Policies**

**(a) Basis of Preparation**

In the trustee's opinion, the trust is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (the Act).

The financial report has been prepared in accordance with the Act, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following standards:

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cashflows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures

**(b) New and revised accounting standards adopted during the year**

There are a number of new accounting standards and pronouncements issued by the Australian Accounting Standards Board that are applicable for periods ending on or after 1 July 2020. The company has reviewed these and have determined that none of them have material impact on the company.

**(c) Revenue Recognition**  
**Grants and subsidies**

Where grant revenue is earned under an agreement that is enforceable and contains sufficiently specific performance obligations for the Trust to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers. In this case, revenue is recognised as the performance obligations are satisfied. This includes revenue received by the Trust under the National Rental Affordability Scheme (NRAS) where the Trust is required to provide affordable housing under the terms of the funding.

Where the above conditions are not satisfied, revenue is accounted for under AASB 1058 Income of Not-for-profit Entities, whereby revenue is recognised upon receipt of the grant funding, except where the funding is received to construct or acquire a recognisable non-financial asset which will subsequently be controlled by the Trust. Such grants are recognised as revenue when (or as) the non-financial asset is acquired or constructed.

**(d) Contract assets and contract liabilities**

Where a performance obligation is satisfied by transferring a promised good or service to the customer before consideration is received or an entitlement to invoice for consideration arises under the terms of the contract/funding agreement, a contract asset is recognised, reflecting the revenue recognised to date in accordance with the accounting policy described in note 1(c).

When consideration is received in advance of performance obligations being satisfied, any excess of consideration received over revenue recorded is presented as a contract liability.

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2021**

**(e) Cash Assets**

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

**(f) Receivables**

Receivables arise from the trust's transactions with its customers and are normally settled within 30 days. Consistent with both the trust's business model for managing the financial assets and the contractual cash flow characteristics of the assets, receivables are subsequently measured at amortised cost.

Allowance is made for expected credit losses on receivables applying the simplified approach prescribed in AASB 9. Under this approach, the trust determines the allowance for credit losses for receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the credit losses that are expected to result from default events over the expected life of the financial asset. As the trust does not have a material level of receivables at 30 June 2021, no allowance for credit losses has been recognised.

The gross carrying amount of a receivable is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the trust has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the trust. Recoveries, if any, are recognised in profit or loss. All known bad debts have been written off as at 30 June.

**(g) 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.

**Acquisition of Assets**

Actual cost is used for the initial recording of all non-current physical assets acquisitions. Cost is determined as the value given as consideration.

**Depreciation**

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	1.90%
Land	N/A

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

Land and buildings are held by the trust for the purpose of meeting the trust's service delivery objectives in providing affordable housing to low and middle income tenants. Land and buildings held for this purpose do not meet the definition of investment property under AASB 140 Investment property

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2021**

**Valuations**

Land and improvements and buildings are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Other plant and equipment and work in progress is measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of the Trust's assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. In the intervening years the trust engages independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate asset class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class. On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset, such that the gross carrying amount of the asset is revalued to the fair value of the asset, and accumulated depreciation is adjusted to nil. The gross carrying amount of the asset is subsequently depreciated over the asset's remaining useful life.

Land and building assets were valued at 30 June 2021 by Assetic Pty Ltd and APV Valuers and Asset Management respectively. All land and building values have been determined using level 2 valuation inputs. The most significant inputs into this valuation approach are price per square metre, determined by reference to sales prices of comparable assets having due regard to differences in key attributes such as zoning and property size. Sales evidence was sourced through RP Data Pty Ltd and the web site realestate.com.au.

**(h) Payables**

Trade creditors are recognised on receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**(i) Borrowings**

Borrowings and other financial liabilities are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Interest is calculated at commercial rate of interest using Queensland Treasury Corporation rates as the basis. The Loans are from Isaac Regional Council and are secured over the land and assets of the Trust.

**(j) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the trust commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

**Classification**

The trust's only financial assets are cash and receivables, which are subsequently measured at amortised cost. Financial liabilities of the trust, being payables and secured loan debt, are subsequently measured at amortised cost.

**(k) Taxation**

The Trust is subject to Goods and Services Tax (GST) and as such, GST credits receivable from/payable to the Australian Taxation Office are recognised and accrued. The Trust has endorsement as an Income Tax Exempt Charity and is not liable for income tax.

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2021**

**(l) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the trust's accounting policies, the trustee is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

The only judgements, estimates and assumptions that have a potential significant effect on the financial statements are those relating to valuation and depreciation of property, plant and equipment. Further information regarding these is provided in note 1(g).

**(m) Comparatives**

Where required by the Accounting Standards comparative figures have been adjusted to conform with changes in presentation in the current financial period.

**(n) Date of authorisation**

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the trustees declaration is signed.

**(o) Currency**

The Trust uses the Australian dollar as its functional currency and its presentation currency.

**(p) Leases**

*The Trust as a lessee*

The Trust is not a lessee under any leasing arrangements.

*The Trust as a lessor*

Each lease is classified as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Trust has not entered into any finance leases.

Underlying assets subject to operating leases are presented in the statement of financial position according to the nature of the underlying asset.

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis, if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

**(q) Rounding off of amounts**

Amounts in the financial report have been rounded to the nearest dollar, unless otherwise stated.

**(r) New Accounting Standards of Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The trustee has decided not to early adopt any of the new and amended pronouncements. There are no such standards or interpretations expected to have a significant impact on the financial statements of the Trust in the period of initial application.

**(s) Impacts from the COVID-19 pandemic**

The Trust has assessed the impact of the COVID-19 global pandemic and found there were no material implications on the value of assets recognised on the Trust's balance sheet at 30 June 2021. In response to the pandemic, the Trust provided the following relief arrangements for tenants:

- 100% Rent Relief for certain highly impacted tenants for the period 01/04/2020 to 01/05/2020 was \$2,280
- Rent reduction for all other tenants for the period 01/04/2020 to 30/06/2020 was \$9,880
- Rent reduction for all other tenants for the period 01/07/2020 to 31/07/2020 was \$4,550

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>3. Secretarial and Accounting Fees</b>		
Accounting Monthly Fee	27,000	24,000
Secretarial Services	28,821	32,317
	<u>55,821</u>	<u>56,317</u>
<b>4. Property Management</b>		
Cleaning	-	7,307
Consulting - Valuers	13,168	1,440
Maintenance & Repairs	46,377	110,911
	<u>59,545</u>	<u>119,658</u>
<b>5. Accounts Receivable</b>		
Accounts receivable detailed below.		
Australian Taxation Office	4,536	2,599
Rental Arrears	345	411
	<u>4,881</u>	<u>3,010</u>
<b>6. Property, Plant and Equipment</b>		
Land - Fair Value	<u>1,088,000</u>	<u>964,000</u>
Buildings - Fair Value	4,206,950	1,946,003
/less Accumulated Depreciation	-	(111,128)
	<u>4,206,950</u>	<u>1,834,875</u>
Work in Progress	<u>78,748</u>	<u>38,480</u>
Total Property, Plant and Equipment	<u>5,373,698</u>	<u>2,837,355</u>
<b>7. Accrued Expenses</b>		
Queensland Audit Office	12,000	7,000
	<u>12,000</u>	<u>7,000</u>
<p>Audit fees are paid to the Queensland Audit Office in relation to the audit of the financial statements. No non-audit services were provided. Total audit fees quoted by the Queensland Audit Office relating to the audit of the 2020-21 financial statements are \$10,350 (2020 - \$12,400).</p>		
<b>8. Payables</b>		
Trade Creditors	8,964	5,959
Rent received in advance	6,230	834
	<u>15,194</u>	<u>6,793</u>
<b>9. Secured Loan</b>		
Isaac Regional Council has made secured loans to the Trust.		
Borrowings from Isaac Regional Council		
Opening balance	4,855,466	4,832,027
Interest Charged	23,553	23,439
	<u>4,879,019</u>	<u>4,855,466</u>

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2021**

**10. Reconciliation of Operating Surplus to Net Cash Provided by Operating Activities**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Surplus/(Deficit)</b>	2,505,560	(84,718)
Non-Cash Operating Items		
Depreciation	37,008	37,112
Interest	23,553	23,439
Asset Revaluation Increase	(2,533,082)	-
Change in assets and liabilities-		
(Increase)/Decrease in Contract Assets	1,683	(41,056)
(Increase)/Decrease in Receivables	(1,871)	3,220
Increase/(Decrease) in Accruals	5,000	(15,000)
Increase/(Decrease) in Payables	8,401	(1,364)
<b>Net cash provided by (used in) operating activities</b>	<b>46,252</b>	<b>(78,367)</b>

**11. Contingencies**

As at 30 June 2021 there were no known contingent assets or liabilities of a material nature (2020:nil).

**12. Events after balance date**

There were no material financial adjusting events after balance date.

**13. Related party transactions**

As at 30 June 2021, the statement of financial position includes a unsecured loan of \$4,879,018.04 from the Isaac Regional Council. The mortgagor (IAHT) must abide by the following:

- (1) The Principal sum must be repaid by 1 July 2024
- (2) The mortgagor must pay the interest on the principal sum calculated on a monthly basis
- (3) Interest on the principal sum accrues from 1 July 2012
- (4) The loan was interest free prior to 1 July 2014. Interest is payable on the first day of each month but is permitted to be capitalised into the outstanding loan balance.

Interest Calculation:

Resolution 3246 states that interest to be charged at a rate equal to the lowest investment rate.  
 Lowest Investment Rate of QTC Cash Fund in June 2021 is 0.484% (2020: 0.484%).

Isaac Regional Council is the parent entity of the Isaac Affordable Housing Fund Pty Ltd. Isaac Regional Council has the Power of Appointment of the trustee under the terms of the Trust Deed.

Isaac Regional Council representatives are also the Directors of the trustee company Isaac Affordable Housing Fund Pty Ltd.

**14. Trust Details**

The business address of Isaac Affordable Housing Trust is located at:  
 Grosvenor Complex, Batchelor Parade, Moranbah, Qld, 4744.



**ANNUAL DECLARATION OF THE TRUSTEE**  
**For the year ended 30th June 2021**

The trustee of Isaac Affordable Housing Trust declare that in their opinion:

(a) the financial statements and notes of the entity are in accordance with the subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Act 2012*, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the period ended on that date; and

(ii) complying with the basis of preparation as disclosed in note 1 to the financial statements and the Australian Charities and Not-for-profit Commission Act 2012

(b) There are reasonable grounds to believe the entity will be able to pay its debts as and when they become due and payable.

**Trustee's Declaration**

The Annual Resolution of the Trustee for the year ended 30th June 2021 be approved and signed by Anne Baker and Gina Lacey, Directors of the Trustee Company on behalf of the Trustee Company.

Anne Baker

X

Director

Gina T Lacey

X

Director

Date

13th December 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of Isaac Affordable Housing Fund Pty Ltd as trustee for the Isaac Affordable Housing Trust

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Isaac Affordable Housing Trust (the trust).

In my opinion, the financial report:

- a) gives a true and fair view of the trust's financial position as at 30 June 2021 and its financial performance and cash flows for the year then ended
- b) complies with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and the financial reporting framework described in Note 2(a).

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the trustees' declaration.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter – basis of accounting

I draw attention to Note 2(a) to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

## **Responsibilities of the trust for the financial report**

The trustees are responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting framework described in Note 2(a), and for such internal control as the trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In fulfilling this responsibility, the trustees determined that the basis of preparation described in Note 2(a) is appropriate to meet their accountability requirements.

The trustees are also responsible for assessing the trust'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 management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

My 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 my 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 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trust.
- Conclude on the appropriateness of the trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust 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.

I communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

*M. Claydon*

15 December 2021

Michael Claydon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane