

MASTER PAINTERS, DECORATORS &
SIGNWRITERS
ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS
AND CONTROLLED ENTITY

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2021

1.

MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND UNION OF EMPLOYERS AND CONTROLLED ENTITY

DIRECTOR'S REPORT

The directors present their report on the economic entity for the financial year ended 30 June 2021.

Directors

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

<i>Directors</i>	<i>Date Appointed</i>	<i>Date of Cessation</i>	<i>Meetings Attended</i>	<i>Eligible Meetings</i>
David Baird	03/02/2020		10	13
Vincent Ronald Esposito	22/06/2018		3	13
Samuel Festa	03/02/2020		11	13
Liam Marc Francisco	22/06/2018		9	13
Anthony James Ledwith	22/06/2018		9	13
Stephen John McCarthy	22/06/2018		8	13
Anastasios Moulis	22/06/2018		9	13
Christopher Keith Munday	27/11/2015		13	13
Kenneth Francis Robinson	22/06/2018		8	13
Theodore Vairaktaris	24/09/2020		4	13

The Directors 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 economic entity during the financial year was the provision of member related services and support. The economic entity is a registered training organisation and delivers accredited training and assessments to members, affiliated industry providers, tradesmen and the general public within the painting and decorating industry. There was no significant change in the nature of those activities.

Review of Operations

The net profit for the year ended 30 June 2021 was \$207,713.

Short and Long-Term Objectives

- To work together with our members and the Industry to devise ways of bettering the conditions and advance the interests of the Painting & Decorating Industry.
- To work with Architects, Master Builders and Government Authorities to improve conditions within the Painting & Decorating Industry, assisting and spreading wider knowledge in accounting, costing, systems, and proper remuneration for services rendered.
- Maintain and grow Master Painters Decorators & Signwriters Association of Queensland Ltd Registered Training Organisation. This entity was established to assist members in training their staff, especially their apprentices.

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MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND UNION OF EMPLOYERS AND CONTROLLED ENTITY

DIRECTOR'S REPORT CONT.

Strategies

To achieve the stated objectives the company has adopted the following strategies:

- Promote Brand awareness.
- Combining of Resources of the Association and the Company.
- Upgrading of benefits available to members, employers and apprentices.
- Identify and increase social media opportunities.
- Identify opportunities within the Painting & Decoration Industry.
- Utilisation of unused resources.
- Build closer working relationships with external parties like employers and Government Agencies.
- Promote consumer awareness.
- Create accounts with multimedia platforms.
- Create flexible delivery timetable for short courses.

Dividends

No dividends have been paid or declared by the Association during the financial year as the Association's Constitution prohibits dividends.

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

In the opinion of the Directors, information regarding likely developments in the operation of the economic entity and the expected results of those operations in subsequent financial years has already been disclosed to members.

Environmental Regulation

The economic entity's operations are not regulated by any significant environmental regulations, under the law of the Commonwealth or of a State or Territory.

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**MASTER PAINTERS, DECORATORS & SIGNWRITERS
ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS
AND CONTROLLED ENTITY**

DIRECTOR'S REPORT CONT.**Information on Directors**

Christopher Munday	
Qualifications	Grad Dip in Business Administration IR Financial Training
Experience	30 years in the P&D industry Director/Owner Paint4U.com
Special Responsibilities	President
Ken Robinson	
Qualifications	Cert III and Advanced training Cert in Painting & Decorating IR Financial Training
Experience	40 years within the P&D industry
Special Responsibilities	Treasurer
Vincent Esposito	
Qualifications	Cert III in Painting & Decorating
Experience	28 years within the P&D industry
Special Responsibilities	Trustee
Liam Francisco	
Qualifications	Cert III in Painting & Decorating
Experience	30 years within the P&D industry
Anthony Ledwith	
Qualifications	Cert III in Painting & Decorating
Experience	26 years within the P&D industry
Stephen McCarthy	
Qualifications	Cert III in Painting & Decorating + Marbling & Wood Graining Fitter and Turner qualification
Experience	30 years within the P&D industry
Anastasios Moulis	
Qualifications	Cert III in Painting & Decorating Construction Management qualification IR Financial Training
Experience	24 years in the P&D industry
Special Responsibilities	Vice President
David Baird	
Qualifications	Qualified painter, qualified financial planner, multiple business marketing and sales certificates
Experience	20 years painting and development businesses, 12 years finance and mergers and acquisitions, owner operator multiple businesses, directorships on ASX and NZX listed companies

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**MASTER PAINTERS, DECORATORS & SIGNWRITERS
ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS
AND CONTROLLED ENTITY**

DIRECTOR'S REPORT CONT.

Information on Directors Cont.

Samuel Festa	
Qualifications	Bachelor of Business Management – HR, MBA - UQ
Experience	15 years within the P&D industry
Special Responsibilities	Vice President
Theodore Vairaktaris	
Qualifications	QBCC – Open builder, Painting and Decorating, Rendering Diploma in Workplace Health & Safety Diploma in Architectural Technology Australian Institute of Company Directors Course
Experience	In the P&D Industry since 1994 Managing Director of Usher Group since 2001

5.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS
ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS
AND CONTROLLED ENTITY**

Directors' Benefits

Paint4U.com has received \$93,529 (ex GST) during the year for services Chris Munday has provided to the economic entity. RFT Painting has received \$3,811 (ex GST) during the year for services Ken Robinson has provided to the economic entity. Anastasious Moulis has received \$10,800 (ex GST) during the year for services provided to the economic entity.

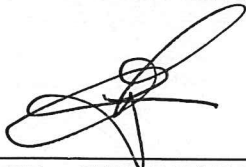
These services were in addition to their roles as Directors. It is noted that Chris Munday, Ken Robinson and Anastasious Moulis are council members and directors of the Company. The transactions with the economic entity were on normal commercial terms and conditions.

No other director of the economic entity has received or become entitled to receive, during or since the financial year, a benefit by reason of a contract made by the economic entity or a related corporation with a director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Auditor's Independence

The directors received an independence declaration from the auditor of Master Painters, Decorators & Signwriters Association of Queensland Union of Employers Limited which is attached on the following page.

Signed in accordance with the resolution of the Board of Directors and on behalf of the Directors.



DIRECTOR – CHRISTOPHER MUNDAY



DIRECTOR – KENNETH ROBINSON

Dated at Brisbane this 21st day of October 2021

6.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS
ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS
AND CONTROLLED ENTITY**

FOR THE YEAR ENDED 30 JUNE 2021

**COMMITTEE OF MANAGEMENT STATEMENT
PURSUANT TO SUBSECTION 763(2)(c)
OF THE INDUSTRIAL RELATIONS ACT 2016**

- 1 The financial statements and notes, as set out on pages 8 to 28, are in accordance with the Corporations Act 2001 and:
 - a. Comply with the Australian Accounting Standards applicable to the Organisation,
 - b. Comply with the reporting guidelines of the Registrar, and
 - c. Give a true and fair view of the financial position of the Organisation as at 30 June 2021 and of its performance and cash flows 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 of Management's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

- 3 The Committee of Management considers that, during the financial year to which the accounts relate and since the end of that year,
 - a. meetings of the committee of management were held in accordance with the rules of the Organisation,
 - b. the financial affairs have been managed in accordance with the rules of the Organisation,
 - c. the financial records have been kept and maintained in accordance with the *Industrial Relations Act 2016* ("the Act"),
 - d. where information has been sought in any request by a member of the Organisation or Registrar duly made under section 787 of the Act, that information has been provided to the member or Registrar, and
 - e. where any order for inspection of financial records has been made by the Queensland Industrial Relations Commission under section 788 of the Act, there has been compliance.

This Committee of Management Statement is given under a resolution passed by the Committee of Management and signed for the Committee by a designated officer.



DIRECTOR – CHRISTOPHER MUNDAY

Dated at Brisbane this 21st day of October 2021

AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the *Corporations Act 2001*
and
Industrial Relations Act 2016

To the **DIRECTORS OF MASTER PAINTERS, DECORATORS & SIGNWRITERS'
ASSOCIATION OF QUEENSLAND UNION OF EMPLOYERS LIMITED**
And
**Master Painters, Decorators and Signwriters' Association of Queensland, Union of
Employers**

I declare that to the best of my knowledge and belief during the year ended 30 June 2021 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* nor the *Industrial Relations Act 2016* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



John Grounds, Chartered Accountant

Registered Company Auditor

Dated at Brisbane this 19th day of October 2021.

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**MASTER PAINTERS, DECORATORS & SIGNWRITERS
ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS
AND CONTROLLED ENTITY**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	<u>Note</u>	<u>Economic Entity</u>		<u>Parent Entity</u>		<u>Company</u>	
		<u>(Assoc. & Co.)</u>		<u>(Assoc. Only)</u>		<u>(RTO only)</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue		1476383	691535	154940	170611	1321443	520924
Other income		90906	63358	29703	1448	61203	61910
	2	1567289	754893	184643	172059	1382646	582834
Administration expense		77692	99221	30964	32809	46728	66412
Audit, legal and consultancy expense		138864	86723	41934	31868	96930	54855
Depreciation expense		87110	80565	6740	3515	80370	77050
Employee benefits expense		213718	149717	24038	26784	189680	122933
Employer services		15501	15501	15501	15501	-	-
Inspections expense		16984	11124	16984	11124	-	-
Light and power		6449	4428	2365	2214	4084	2214
Marketing, advertising and promotion expense		64486	1658	55706	1047	8780	611
Rental expense		64180	37397	37094	37397	27086	-
Repairs, maintenance & vehicle costs		27719	19411	9311	13969	18408	5442
Training software licence fees		81084	41333	-	-	81084	41333
Other training expenses		512765	287335	2227	4808	510538	282527
Other expenses		53024	27738	43219	22092	9805	5646
	3	1359576	862151	286083	203128	1073493	659023
Profit/(Loss) before income tax		207713	(107258)	(101440)	(31069)	309153	(76189)
Income tax expense		-	-	-	-	-	-
Profit/(Loss) attributable to members of the entity		\$207713	\$(107258)	\$(101440)	\$(31069)	\$309153	\$(76189)

The accompanying notes form part of these financial statements.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	<u>Note</u>	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS							
Cash & cash equivalents	4	154164	102677	138814	77361	15350	25316
Trade & other receivables	5	19436	17623	5456	17284	13980	339
Other assets	6	206121	67424	5031	3812	201090	63612
Right of use asset	8	122436	41969	-	-	122436	41969
TOTAL CURRENT ASSETS		502157	229693	149301	98457	352856	131236
NON-CURRENT ASSETS							
Property, Plant and Equipment	7	65028	29381	16687	6452	48341	22929
Other assets	6	14903	8230	8230	8230	6673	-
Owing by Parent Entity	14	-	-	-	-	638383	480600
TOTAL NON CURRENT ASSETS		79931	37611	24917	14682	693397	503529
TOTAL ASSETS		582088	267304	174218	113139	1046253	634765
CURRENT LIABILITIES							
Trade & other payables	9	73470	53255	21852	16031	51618	37224
Borrowings	10	5865	6948	5865	6948	-	-
Short-term provisions	11	7531	1480	-	-	7531	1480
Lease liabilities		79569	41306	-	-	79569	41306
TOTAL CURRENT LIABILITIES		166435	102989	27717	22979	138718	80010
NON-CURRENT LIABILITIES							
Lease liabilities		43627	-	-	-	43627	-
Owing to Controlled Entity	14	-	-	638383	480600	-	-
TOTAL NON-CURRENT LIABILITIES		43627	-	638383	480600	43627	-
TOTAL LIABILITIES		210062	102989	666100	503579	182345	80010
NET ASSETS		372026	164315	(491882)	(390440)	863908	554755
EQUITY							
Retained Profits/(Losses)		372026	164315	(491882)	(390440)	863908	554755
TOTAL EQUITY		\$372026	\$164315	\$(491882)	\$(390440)	\$863908	\$554755

The accompanying notes form part of these financial statements.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	<u>Economic Entity</u>			<u>Parent</u>			<u>Company</u>		
	<u>Retained Earnings</u>	<u>Capital Profits Reserve</u>	<u>Total</u>	<u>Retained Earnings</u>	<u>Capital Profits Reserve</u>	<u>Total</u>	<u>Retained Earnings</u>	<u>Capital Profits Reserve</u>	<u>Total</u>
Balance at 30 June 2019	\$20092	\$251481	\$271573	\$(610854)	\$251481	\$(359373)	\$630946	\$NIL	\$630946
Profit/(Loss) attributable to the entity	(107258)	-	(107258)	(31067)	-	(31067)	(76191)	-	(76191)
Balance at 30 June 2020	\$(87166)	\$251481	\$164315	\$(641921)	\$251481	\$(390440)	\$554755	\$NIL	\$554755
Profit/(Loss) attributable to the entity	207713	-	207713	(101440)	-	(101440)	309153	-	309153
Branch Funds	(2)	-	(2)	(2)	-	(2)	-	-	-
Balance at 30 June 2021	\$120545	\$251481	\$372026	\$(743363)	\$251481	\$(491882)	\$863908	\$NIL	\$863908

11.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	<u>Note</u>	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flow from operating activities							
Receipt of revenue and other income		1561738	827134	230230	172212	1331508	654922
Payments to suppliers & employees		(1375967)	(836801)	(247387)	(142885)	(1128580)	(693916)
Interest received		36	471	36	471	-	-
Net operating cash flows	12	185807	(9196)	(17121)	29798	202928	(38994)
Cash flow from investing activities							
Payments for property, plant & equipment		(55771)	(16092)	(20991)	(2030)	(34780)	(14062)
Payment for security deposit		(6673)	-	-	-	(6673)	-
Proceeds from sale of plant & equipment		4000	-	4000	-	-	-
Net investing		(58444)	(16092)	(16991)	(2030)	(41453)	(14062)
Cash flow from financing activities							
Proceeds from credit card		(1083)	2477	(1083)	2477	-	-
Repayment of lease liabilities		(74794)	(74793)	-	-	(74794)	(74793)
Movement in inter-entity balance		-	-	96648	(117476)	(96648)	117476
Net financing		(75877)	(72316)	95565	(114999)	(171442)	42683
Net increase in cash held		51486	(97604)	61453	(87231)	(9967)	(10373)
Cash at beginning of year		102678	200282	77361	164592	25317	35690
Cash at end of year	4	\$154164	\$102678	\$138814	\$77361	\$15350	\$25317

The accompanying notes form part of these financial statements.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Report covers Master Painters, Decorators & Signwriters Association of Queensland Union of Employers (the Association and parent entity) and Controlled Entity as an individual entity. Master Painters, Decorators & Signwriters Association of Queensland Limited (the Company and controlled entity) is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, and the requirements of the *Industrial Relations Act of Queensland 2016* (the Act).

The Association is an employer association incorporated under the Act and the Company is a controlled entity of the Association that is not publicly accountable for financial reporting purposes under Australian Accounting Standards.

In preparing the financial statements, the Association has followed the guidelines under s765 of the Act. As per the guidelines, where required, a disclosure has been made either in the financial statements or the notes to the financial statements. If there has been no disclosure as per the guidelines, this is because the activities identified have not occurred in the reporting period.

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

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

The following is a summary of the material accounting policies adopted by the company and combined entities in the preparation of the financial report.

Accounting Policies

a. Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

b. Income Tax

The Association has been constituted so as to qualify for the exemption from income tax by Section 10-15 of the Income Tax Assessment Act 1997 and accordingly no provision for tax has been raised.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Property, Plant and Equipment

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and the impairment losses are recognised in the profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

d. Employee Benefits

Provision is made for annual leave at current pay rates. The amounts provided represent employees' current entitlements and are therefore shown as Current Liabilities.

The entity classifies employees' long service leave entitlements as long-term employee benefits, as they are not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service.

e. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on either a straight-line basis or the diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

The depreciation rate used for each class of depreciable asset are in the following ranges.

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 10%
Furniture & Fittings	5% - 20%
Equipment	6.67% - 100%
Motor Vehicles	25%
Website Design	20%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss in the period in which they arise.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g. Leases

The Entity as lessee

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shorter. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Leases (Cont'd)

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8.

h. 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.

i. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 economic entity.

j. Branch Funds

The funds attributable to each Branch are maintained in separate bank accounts for those funds under the control of the Branches. For reporting purposes, the bank accounts have been included in the total of Cash Assets in the Statement of Financial Position.

k. Principles of Consolidation

A controlled entity is any entity controlled by Master Painter, Decorators & Signwriters Association of Queensland Union of Employers. Control exists where Master Painters, Decorators & Signwriters Association of Queensland Union of Employers has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Master Painter, Decorators & Signwriters Association of Queensland Union of Employers to achieve the objectives of Master Painter, Decorators & Signwriters Association of Queensland Union of Employers. A list of controlled entities is contained in Note 13 to the financial statements.

In certain circumstances, expenses are shared, proportioned and paid by the relevant organisations as the Committee believe appropriate.

All inter-entity balances and transactions, including any unrealised profits or losses, have been eliminated on consolidation.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New and Amended Accounting Policies Adopted by the Entity

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
NOTE 2: REVENUE AND OTHER INCOME						
Revenue						
Membership Subscriptions	91680	105027	91680	105027	-	-
Training income	1265285	519814	-	-	1265285	519814
Sponsorship income	10000	10000	10000	10000	-	-
Inspections income	16268	22422	16268	22422	-	-
Training grant from MPA	52946	-	-	-	52946	-
Rental income	37352	34272	36992	33162	360	1110
Wage subsidy	2852	-	-	-	2852	-
	<u>1476383</u>	<u>691535</u>	<u>154940</u>	<u>170611</u>	<u>1321443</u>	<u>520924</u>
Other income						
Awards night	25727	-	25727	-	-	-
Government cash flow boost	5097	15290	-	-	5097	15290
Interest income	36	471	36	471	-	-
JobKeeper	18000	9000	-	-	18000	9000
Profit on sale of assets	2749	-	2749	-	-	-
Rent on-charged	37094	37397	-	-	37094	37397
Other income	2203	1200	1191	977	1012	223
	<u>90906</u>	<u>63358</u>	<u>29703</u>	<u>1448</u>	<u>61203</u>	<u>61910</u>
Total Income	<u>1567289</u>	<u>754893</u>	<u>184643</u>	<u>172059</u>	<u>1382646</u>	<u>582834</u>

RTO revenue is not recognised until the apprentice's training course has been completed and approvals from trainer and employer have been received.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
NOTE 3: PROFIT/(LOSS) FOR THE YEAR						
Expenses						
Audit, legal and consultancy:						
Audit fees	6000	6000	3000	3000	3000	3000
Legal and professional fees	503	228	-	68	503	160
Consultancy fees	132361	80495	38934	28800	93427	51695
	<u>138864</u>	<u>86723</u>	<u>41934</u>	<u>31868</u>	<u>96930</u>	<u>54855</u>
Depreciation & Amortisation						
- right of use asset - building lease	74189	71947	-	-	74189	71947
- building improvements	-	-	-	-	-	-
- motor vehicles	772	518	239	376	533	142
- furniture and equipment	12042	8100	6501	3139	5541	4961
- website design	107	-	-	-	107	-
	<u>87110</u>	<u>80565</u>	<u>6740</u>	<u>3515</u>	<u>80370</u>	<u>77050</u>
Employee Provisions						
- wages and salaries	190117	136223	-	-	190117	136223
- superannuation	17550	12862	-	-	17550	12862
- leave and other entitlements	6051	632	-	-	6051	632
- inter-entity charges	-	-	24038	26784	(24038)	(26784)
	<u>213718</u>	<u>149717</u>	<u>24038</u>	<u>26784</u>	<u>189680</u>	<u>122933</u>
NOTE 4. CASH AND CASH EQUIVALENTS						
CURRENT						
Cash at Bank	153915	102427	138815	77361	15100	25066
Cash on Hand	250	250	-	-	250	250
	<u>154165</u>	<u>102677</u>	<u>138815</u>	<u>77361</u>	<u>15350</u>	<u>25316</u>
NOTE 5: TRADE AND OTHER RECEIVABLES						
CURRENT						
Trade Debtors	19436	17623	5456	17284	13980	339
Provision for Impairment	-	-	-	-	-	-
	<u>19436</u>	<u>17623</u>	<u>5456</u>	<u>17284</u>	<u>13980</u>	<u>339</u>

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
NOTE 6: OTHER ASSETS						
CURRENT						
Accrued Income	167064	49890	-	-	167064	49890
Deferred Rental Income	696	2088	696	2088	-	-
GST Owing	28730	11998	672	-	28058	11998
Prepayments	9631	3448	3663	1724	5968	1724
	<u>206121</u>	<u>67424</u>	<u>5031</u>	<u>3812</u>	<u>201090</u>	<u>63612</u>
NON-CURRENT						
Security Deposits	14903	8230	8230	8230	6673	-
	<u>14903</u>	<u>8230</u>	<u>8230</u>	<u>8230</u>	<u>-</u>	<u>-</u>

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
NOTE 7: PROPERTY, PLANT & EQUIPMENT						
Furniture & Fittings	48993	46981	21907	14968	27086	32013
Accumulated Depreciation	(23651)	(42767)	(10463)	(11644)	(13188)	(31123)
	<u>25342</u>	<u>4214</u>	<u>11444</u>	<u>3324</u>	<u>13898</u>	<u>890</u>
Equipment	151511	231880	15233	39231	136278	192649
Accumulated Depreciation	(117305)	(209970)	(9990)	(37230)	(107315)	(172740)
	<u>34206</u>	<u>21910</u>	<u>5243</u>	<u>2001</u>	<u>28963</u>	<u>19909</u>
Motor Vehicles	2272	20854	-	18582	2272	2272
Accumulated Depreciation	(675)	(17597)	-	(17455)	(675)	(142)
	<u>1597</u>	<u>3257</u>	<u>-</u>	<u>1127</u>	<u>1597</u>	<u>2130</u>
Website Design	3990	-	-	-	3990	-
Accumulated Depreciation	(107)	-	-	-	(107)	-
	<u>3883</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3883</u>	<u>0</u>
Building Improvements	45394	45394	-	-	45394	45394
Accumulated Depreciation	(45394)	(45394)	-	-	(45394)	(45394)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>65028</u>	<u>29381</u>	<u>16687</u>	<u>6452</u>	<u>48341</u>	<u>22929</u>

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	Furniture & Fittings		Equipment		Motor Vehicles		Website Design	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>

NOTE 7: PROPERTY PLANT & EQUIPMENT (CONT'D.)

Movements in Assets

Opening Balance	4214	4326	21910	16078	3257	1503	-	-
Add Purchases	24083	336	22629	13484	-	2272	3990	-
Less Depreciation	(1792)	(448)	(10250)	(7652)	(772)	(518)	(107)	-
Less Disposals	(1163)	-	(83)	-	(888)	-	-	-
Closing Balance	25342	4214	34206	21910	1597	3257	3883	0

	Total	
	<u>2021</u>	<u>2020</u>

Movements in Assets

Opening Balance	29381	21907
Add Purchases	50702	16092
Less Depreciation	(12921)	(8618)
Less Disposals	(2134)	-
Closing Balance	65028	29381

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

8. RIGHT-OF-USE ASSET

The Company has a lease of office facilities at 460-492 Beaudesert Road, Salisbury Qld 4107. The lease was dated 1 February 2019 and has been extended for a further 24 months via the Rent Concession Deed to 31 January 2023.

i) AASB 16 related amounts recognised in the Balance Sheet:

	<u>2021</u>	<u>2020</u>
RIGHT-OF-USE ASSETS		
Leased Buildings	154,656	113,916
Accumulated Depreciation	32,220	71,947
TOTAL RIGHT-OF-USE ASSETS	\$122,436	\$41,969

i) AASB 16 related amounts recognised in the Statement of Profit or Loss:

Depreciation Charge related to Right-Of-Use Assets	74,189	71,947
Interest Expense on Lease Liabilities	2,027	2,184

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
NOTE 9: TRADE AND OTHER PAYABLES						
CURRENT						
Accrued Expenses	9894	27327	-	4800	9894	22527
Deferred Rent Expense	5571	4775	2785	2388	2786	2387
GST Payable	-	1617	-	1617	-	-
PAYG Withholding Payable	8288	6645	-	-	8288	6645
Superannuation Payable	1991	1846	-	-	1991	1846
Trade Payables	35249	7557	6590	3738	28659	3819
Unearned Income	12477	3488	12477	3488	-	-
	<u>73470</u>	<u>53255</u>	<u>21852</u>	<u>16031</u>	<u>51618</u>	<u>37224</u>
NOTE 10: BORROWINGS						
Credit Card Loan	5865	6948	5865	6948	-	-
	<u>5865</u>	<u>6948</u>	<u>5865</u>	<u>6948</u>	<u>-</u>	<u>-</u>
NOTE 11: PROVISIONS						
CURRENT						
Annual Leave	7531	1480	-	-	7531	1480
	<u>7531</u>	<u>1480</u>	<u>-</u>	<u>-</u>	<u>7531</u>	<u>1480</u>

Provision for employee benefits represents amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements. Provision is made for annual leave at current pay rates. The amounts provided represent employees' current entitlements and are therefore shown as Current Liabilities.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

	<u>Economic Entity</u> <u>(Assoc. & Co.)</u>		<u>Parent Entity</u> <u>(Assoc. Only)</u>		<u>Company</u> <u>(RTO only)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
NOTE 12: CASH FLOW INFORMATION						
Reconciliation of cash flow from operating activities with net current year surplus						
Profit/(Loss) for the year	207713	(107258)	(101440)	(31069)	309153	(76189)
Non-cash items included in profit or loss:						
- Bad Debts	63	156	-	-	63	156
- Depreciation	87110	80565	6740	3515	80370	77050
- Interest on lease liabilities	2027	2184	-	-	2027	2184
- Loss on write off of old assets	1246	-	1221	-	25	-
- Profit on sale of vehicle	(2749)	-	(2749)	-	-	-
- Inter-entity charge	-	-	61132	64181	(61132)	(64181)
Net changes in working capital:						
- Receivables	(1877)	(10903)	11828	(17284)	(13705)	6381
- Other assets	(133627)	31458	689	649	(134316)	30809
- Payables	19850	(6030)	5457	9806	14393	(15836)
- Provisions	6051	632	-	-	6051	632
Net cash flow from operations	<u>185807</u>	<u>(9196)</u>	<u>(17122)</u>	<u>29798</u>	<u>202929</u>	<u>(38994)</u>

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 13: RELATED PARTIES

(a) Council Members

The names of the persons who were council members during the year were as follows:-

David Baird	Vincent Ronald Esposito
Samuel Festa	Liam Marc Francisco
Anthony James Ledwith	Stephen John McCarthy
Anastasios Moulis	Christopher Keith Munday
Kenneth Francis Robinson	Theodore Vairaktaris

Trustees

Vincent Esposito

(b) Transactions with Key Management Personnel

Total Key Management Personnel Remuneration is disclosed in Note 3.

Council Members are not remunerated however certain council members were paid for other services provided, as specified below.

During the year, the principle activity of the Association was that of a registered Union of Employers promoting the interest of trades represented by it in Queensland

Council Members and Council Members Related Entities are members of the Association and, as such, received benefits in their capacity as members of the Association.

The benefits received by Council Members and their Council Member Related Entities were no more favourable than those available to members of the Association who were not Council Members.

Paint4U.com has received \$93,529 (ex GST) during the year for services Chris Munday has provided to the economic entity. RFT Painting has received \$3,811 (ex GST) during the year for services Ken Robinson has provided to the economic entity. Anastasios Moulis has received \$10,800 (ex GST) during the year for services provided to the economic entity.

These services were in addition to their roles as Directors. It is noted that Chris Munday, Ken Robinson and Anastasios Moulis are council members and directors of the Company. The transactions with the economic entity were on normal commercial terms and conditions.

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

NOTE 14: CONTROLLED ENTITY

Parent Entity:

Master Painters, Decorators & Signwriters Association of Queensland Union of Employers, is an Association incorporated under the *Industrial Relations Act of Queensland 2016*. The parent entity is being financially supported by the Controlled Entity.

Controlled Entity:

Master Painters, Decorators & Signwriters Association of Queensland Limited, is a Company incorporated under the *Corporations Act 2001*, and is 100% owned by the Parent Entity.

Economic Entity:

The Economic Entity is the combined results of the Parent Entity and the Controlled Entity for the year.

NOTE 15: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Level 1, 488 Lutwyche Road
Lutwyche Qld 4030

The Skills Training Centre is located at:
460-492 Beaudesert Road
Salisbury Qld 4107

**MASTER PAINTERS, DECORATORS & SIGNWRITERS ASSOCIATION OF QUEENSLAND
UNION OF EMPLOYERS AND CONTROLLED ENTITY**

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

<u>Economic Entity</u> <u>(Assoc. & Co.)</u>	<u>Parent Entity</u> <u>(Assoc. Only)</u>	<u>Company</u> <u>(RTO only)</u>
<u>2021</u> <u>2020</u>	<u>2021</u> <u>2020</u>	<u>2021</u> <u>2020</u>

NOTE 16: FINANCIAL RISK MANAGEMENT

The economic entity's financial instruments consist mainly of deposits with banks, local money market investments, short-term investments and accounts receivable and payable.

Financial Assets

Cash and Cash Equivalents	102677		77361		25316
Trade and Other Receivables	17623		17284		339
Total Financial Assets	0	120300	0	94645	0

Financial Liabilities

Credit Card Loan	6948		6948		-
Trade and Other Payables	53255		16031		37224
Total Financial Liabilities	0	60203	0	22979	37224

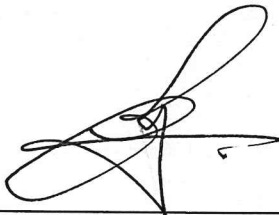
**MASTER PAINTERS, DECORATORS & SIGNWRITERS
ASSOCIATION OF QUEENSLAND LIMITED
AND CONTROLLED ENTITY**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of the Master Painters, Decorators & Signwriters Association of Queensland Limited, the directors of the Company declare that:

- a. The financial statements and notes, are in accordance with the *Corporations Act 2001 and Industrial Relations Act 2016* and;
 - (i) comply with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position of the economic entity and the Company as at 30 June 2021, and of the performance as represented by the results of their operations, changes in equity and their cash flows for the financial year then ended;
- b. In the Directors' opinion there are reasonable grounds to believe that the economic entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Board of Directors and on behalf of the Directors.



DIRECTOR – CHRISTOPHER MUNDAY



DIRECTOR – KENNETH ROBINSON

Dated at Brisbane this 21st day of October 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
Master Painters, Decorators & Signwriters'
Association of Queensland, Union of Employers
and controlled entity
FOR THE YEAR ENDED 30 JUNE 2021**

**REPORT BY INDEPENDENT AUDITOR
PURSUANT TO SECTION 768 OF THE INDUSTRIAL RELATIONS ACT
AND THE CORPORATIONS ACT 2001**

Audit Opinions

I have audited the accompanying financial report of Master Painters, Decorators & Signwriters' Association of Queensland, Union of Employers and its controlled entity, Master Painters Decorators & Signwriters' Association of Queensland Limited, and the economic entity being the consolidation of each of these entities. The financial report comprises the Statements of Comprehensive Income, the Statements of Changes in Equity and the Statements of Cash Flows for the year ended 30 June, 2021 and the Statements of Financial Position at that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

In respect of the Company and the economic entity;

In my opinion the financial report is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*

In respect of the Association, under the *Industrial Relations Act 2016*, in my opinion the general purpose financial report;

- (1) Is presented fairly in accordance with the Tier 1 reporting requirements of the Australian Accounting Standards
- (2) Complies with Part 11 of Chapter 12 of the *Industrial Relations Act 2016* and any other requirements imposed by the *Reporting Guidelines* for the purposes of reporting under section 763.

The financial report for the Association, the Company and the Economic Entity also complies with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with 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 registered 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Other Information

The directors of the company are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

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

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

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the entities' 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 directors either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

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

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 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 the 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 the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity'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 our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

However, future events or conditions may cause the registered entity 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



John Grounds, Chartered Accountant, holding a Practising Certificate.
Registered Company Auditor Dated at Brisbane this 4th day of November 2021